Market participants' views on Elering AS's application for approval of the standard terms and conditions of the domestic gas network contract and gas transmission network service tariffs

Consultation period: 04.09.2026–06.11.2026.

Four market participants submitted their views during the consultation.

In summary, market participants consider that Elering AS's application to introduce a capacity-based exit tariff for intra-system network use that is independent of the quantity of gas consumed may be justified, but that additional analyses should be carried out and precise rules established before such a tariff is applied.

The views of market participants are set out below:

Market participant	Feedback
Market participant 1	
1.	The market participant supports the transition to a capacity-based tariff model in principle and also considers it justified to provide for the option of 15-minute capacity monitoring in the standard terms and conditions. We consider it important that the proposed tariff model and the standard terms and conditions required for its implementation be treated as an integrated whole. Before final decisions are made, the legal, methodological and technical issues relating to 15-minute capacity accounting should also be identified and resolved, their impact on customers assessed, and the conditions for implementing the new accounting arrangements clearly defined. The market participant considers that more granular transmission network metering data may enable more accurate assessment of network use in the future and support more efficient use of network capacity. However, we take the view that the comprehensive implementation of the proposed tariff model and standard terms and conditions requires prior amendments to the current legal framework, in particular the Network Code on the Operation of the Gas Market, as well as an unambiguous methodology for measuring and accounting for capacity, principles for the use of verifiable metering data, and the financial consequences of any capacity overruns. We consider it important that the introduction of 15-minute capacity monitoring in the transmission network should not entail an obligation to change hourly capacity accounting in the distribution network. The current Network Code on the Operation of the Gas Market does not separately lay down principles for a 15-minute accounting period for identifying contractual capacity overruns or determining the resulting financial consequences. Section 2 of the Network Code defines terms relating to metering devices and metering data, subsection 15(1) provides for the submission of metering data by hour or balancing period, and sections 16–18 govern the submission, availability and correction of metering data.

Market participant	Feedback
	However, these provisions do not establish a methodology for monitoring contractual capacity overruns or calculating overrun charges on the basis of a 15-minute interval. In the market participant's view, the technical capability to collect and transmit metering data must be distinguished from the use of such data to identify contractual capacity overruns and determine financial obligations. Introducing a shorter metering interval may change the number and magnitude of detectable capacity overruns even where actual hourly consumption does not exceed the agreed contractual capacity. Therefore, before a 15-minute monitoring period is introduced, the following must be unambiguously defined: • **Legal and methodological basis:** the concept of a 15-minute monitoring period, its relationship to contractual capacity, and the methodology for identifying overruns and calculating any overrun charge; • **Reliability of metering data:** requirements for the technical capabilities of metering systems, the temporal accuracy and validation of metering data, and the handling of missing or erroneous data; • **Accounting methodology:** conversion of the 15-minute gas quantity into a value comparable to hourly capacity, rounding rules, conversion into energy units where necessary, and principles for aggregating simultaneous quantities across multiple metering or connection points; • **Transparency and verifiability:** the distribution system operator's right to obtain the source data and calculation steps needed for verification, the possibility of correcting data, and a clear dispute procedure; • **Technical readiness and transition:** assessment of the capabilities of existing metering systems, an impact assessment of the change, and a sufficient transition period involving a parallel comparison of hourly and 15-minute accounting. In view of the above, the market participant considers it necessary to amend the current legal framework, including the Network Code on the Operation of the Gas Market, particularly section 2 and sections 15–18, before implementing the proposed tariff model and standard terms and conditions, to establish a legal basis for 15-minute capacity accounting. The proposed accounting methodology must also comply with the requirements laid down in section 23¹ of the Natural Gas Act and, where applicable, the approved network service pricing principles. Once the above prerequisites have been met, the timing and conditions for implementing 15-minute capacity monitoring can be assessed. The application of financial consequences must be preceded by a transparent consultation and approval of the required conditions by the Competition Authority. We consider it important that transmission and distribution network accounting principles be addressed separately when amending the legal framework. Amendments to the Network Code on the Operation of the Gas Market must allow the transmission system

Market participant	Feedback
	operator to apply 15-minute capacity accounting, but must not impose such an obligation on distribution system operators whose capacity accounting is based on hourly intervals. The market participant requested 15-minute interval metering data from Elering for all of the market participant's boundary metering points for 2024–2026. According to Elering's response, the current commercial metering system does not allow connection point metering data to be processed at 15-minute intervals, and the system records and stores hourly metering data. As 15-minute metering data are unavailable, the market participant additionally requested hourly metering data from Elering for all boundary metering points for 2024–2026. These data had not yet been provided when the consultation response was prepared. It has therefore not been possible to verify what 15-minute peaks would have occurred historically, how frequently they would exceed hourly contractual capacity, or what their financial impact would be. The market participant supports the introduction of 15-minute capacity monitoring in the transmission network and considers it important that the new capacity-based tariff model and its accounting principles be developed and implemented as an integrated whole. The wording of the proposed standard terms and conditions, "over a period of no less than 15 minutes", allows both hourly and 15-minute capacity monitoring, but does not unambiguously define the conditions for switching from one monitoring period to the other. Shortening the monitoring period may change the number and magnitude of detectable capacity overruns and the resulting financial obligations even where actual gas consumption remains unchanged. Given that a single capacity overrun may result in a higher capacity charge being applied for 36 months, the choice of monitoring period has a significant economic impact. Furthermore, the proposed wording may allow the monitoring period to be changed subsequently without renewed approval of the standard terms and conditions, reducing customers' legal certainty and cost predictability. In our view, it would therefore not be appropriate to implement the new tariff model initially with hourly capacity monitoring and subsequently switch to 15-minute accounting. Nor would we consider it justified to exclude 15-minute monitoring from the current solution and return to it later. Both approaches would create additional uncertainty for market participants and require repeated adjustments to contractual capacities and accounting systems. Accordingly, the market participant considers it necessary, before implementing the new tariff model and standard terms and conditions, to amend the current legal framework, develop an unambiguous methodology for 15-minute capacity monitoring, ensure the reliability and verifiability of metering data, and carry out an impact assessment based on actual data. This approach would enable the development of a legally certain, economically justified and stable long-term solution and provide market participants with sufficient time to adapt to the changes.

Market participant	Feedback
	Shortening the monitoring period from one hour to 15 minutes does not change contractual capacity or the quantity of gas consumed during the hour but changes the period over which average capacity is compared with the contractual limit. A short-term peak may occur within an hour that remains within the permitted limit as an hourly average but exceeds it as a 15-minute average. If one such peak triggers a higher long-term charge under the draft terms, the choice of monitoring interval becomes a central element of the tariff's economic impact. We therefore consider it necessary for this impact to be assessed and taken into account when developing the new tariff model as a whole. A distribution system operator does not directly control end consumers' simultaneous consumption and cannot entirely prevent short-term consumption peaks. A 15-minute monitoring interval may therefore increase the distribution network's capacity risk even if total annual consumption, the peak hourly average and the transmission network's actual long-term capacity requirement remain unchanged. In view of the above, the market participant considers that the following prerequisites must be met before the new capacity-based tariff model and the standard terms and conditions of the network contract are implemented: • **Amendment of the legal framework:** the necessary amendments to the Network Code on the Operation of the Gas Market and, where necessary, other legislation have entered into force, providing a clear legal and methodological basis for 15-minute capacity monitoring in the transmission network and the resulting financial consequences; • **Impact assessment:** a comparative impact assessment of hourly and 15-minute capacity monitoring has been carried out and published, based on actual metering data, taking account of heating-season peak loads and assessing the impact on customers' contractual capacities and network charges; • **Technical readiness:** Elering's metering and calculation systems enable the reliable collection, storage, validation and processing of 15-minute metering data, and the entire metering and calculation chain meets the requirements necessary for determining capacity overruns and the associated financial obligations; • **Data availability and verifiability:** network service users are guaranteed access to the same source data and calculation methodology that Elering uses to identify capacity overruns and determine charges, enabling independent verification and reproduction of calculations; • **Market participant involvement and approval:** a substantive consultation on the proposed accounting methodology and its impact has been conducted, and the necessary conditions have been approved by the Competition Authority; • **Sufficient transition period:** customers are given sufficient time to review comparative accounting data, assess their capacity requirements and, where necessary, adjust contractual capacities before the new accounting arrangements enter into force. During the parallel accounting period, overruns resulting solely from the shorter monitoring period do not give rise to higher capacity charges, disconnection or other contractual penalties.

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	Proposal for the standard terms and conditions: retain the option of 15-minute monitoring, but make its entry into force and application with financial consequences conditional on fulfilment of the prerequisites set out in this point. The market participant does not seek the permanent retention of hourly monitoring by the transmission system operator, but supports a transparently prepared transition to a 15-minute interval.
2.	When implementing a capacity-based tariff model, not only the tariff calculation methodology but also capacity booking arrangements, the availability of different capacity products, and the allocation of associated risks and obligations among market participants are important. These choices directly affect the costs incurred by network operators and end consumers and their ability to manage their capacity requirements and the associated risks. In our view, the published consultation materials do not provide a sufficient comparative analysis of why the proposed solution has been preferred in Estonia over the models used in Finland and Lithuania and the model to be implemented in Latvia from 1 October 2027. We therefore consider it important to supplement the existing analysis before final decisions are made, in order to assess the justification for the chosen solution and the opportunities to draw on other countries' experience. Finland and Lithuania use entry-exit tariff models for their transmission networks, under which capacity products of different durations can be booked, including yearly, quarterly, monthly, daily and within-day products. From 1 October 2027, Latvia will introduce capacity-based pricing for intra-system exits, under which capacity is booked by gas suppliers and other market participants that have concluded a transmission system use agreement, with capacity products of different durations also available. These models differ in their tariff structures, capacity booking arrangements and risk allocation. We therefore consider it justified to compare the proposed Estonian model with these solutions, focusing in particular on the following questions: • whether capacity should be booked by the distribution system operator or whether an arrangement whereby gas suppliers book capacity would be justified; • whether it would be justified to offer quarterly, monthly, daily and within-day capacity products alongside fixed annual capacity, taking into account the seasonality of gas consumption and short-term peaks; • how portfolio-based capacity accounting and consideration of simultaneous consumption affect the treatment of individual consumers' occasional peaks and the resulting capacity risks; • how price, capacity and forecasting risks and the administrative burden would be allocated among Elering, distribution system operators, gas suppliers and end consumers under different models; • what impact different solutions would have on network service tariffs, market participants' annual costs, Elering's revenue recovery and the functioning of the Estonian gas market, taking account of equal treatment and cost-reflectivity.

Market participant	Feedback
	This does not mean that the Finnish, Lithuanian or Latvian solution should automatically be adopted in Estonia. It does mean, however, that approving Estonia's chosen model without a substantive and quantitative comparison is not justified: why are capacity and forecasting risks placed on the distribution system operator in Estonia when, within the same market area, booking can be arranged at market participant level and flexible capacity products offered to them? We therefore request that the existing impact assessment be supplemented with a comparison of these alternatives, presenting the advantages, disadvantages and economic impact of the different solutions on a comparable basis. We consider it important that the results of the analysis be available to market participants and be taken into account before the reference price methodology and related conditions are finally approved. The published analysis by THEMA Consulting Group describes the general advantages of a capacity-based tariff, but does not provide a sufficient quantitative basis for choosing the proposed Estonian implementation model. The study does not make it possible to reproduce how the relationship between contractual capacities and actual simultaneous network use, the allocation of costs among customer groups, seasonality, the availability of short-term capacity products or the long-term impact of one-off peaks was assessed. The study supports a 36-month period of charging on the basis of higher capacity, but does not present a comparable calculation for a period of 12, 24 or any other number of months, or analyse whether a single or exceptional peak demonstrates a sustained three-year capacity requirement. The alternative of short-term capacity products is also dismissed primarily on the basis of descriptive assumptions, without comparing its administrative costs, revenue risk, customer impact and seasonality with the proposed fixed annual capacity model. The analysis also needs to be supplemented on the following issues: • the impact of the FinEstLat ITC mechanism and changes in entry revenues on the revenue to be recovered through Estonia's exit tariff; • the risk of continued seasonal cross-subsidisation; • the up-to-date status of potential future entry points, including the Ramsi and Väike-Maarja projects; • changes in the annual costs of distribution system operators and end consumers; • changes in market participants' behaviour following the introduction of a price signal; • risk allocation comparable to that under the models applied in Finland, Lithuania and Latvia.

Market participant	Feedback
	Please clarify the relationship between the THEMA study completed on 3 November 2025, as referred to in the consultation materials, and the public annex dated 5 June 2026. In particular, we would like to know whether this is a public version of the same study or whether the study has been substantively supplemented in the meantime, including changes to the source data, assumptions or conclusions. If the study has been supplemented, please provide an overview of the main changes and their impact on the justification for the proposed tariff model. The market participant requests that Elering commission a new independent quantitative study that is not limited to descriptive additions to the existing THEMA analysis. The study must use up-to-date Estonian gas system data and a reproducible calculation model and compare, at a minimum, the proposed Estonian model with the solutions applied in Finland, Lithuania and Latvia. The analysis must cover 12-, 24- and 36-month periods of higher charges, short-term capacity products, seasonal and one-off peaks, the impact of 15-minute monitoring, the annual costs of distribution system operators and diferent end consumer groups, the impact of the FinEstLat ITC mechanism, the risk of seasonal cross-subsidisation, scenarios for future entry points, and reductions of at least 10%, 20% and 30% in total contractual capacity. For each option, the impact on Elering's recovery of allowed revenue, the unit tariff, the allocation of costs among customer groups, the administrative burden and risk allocation must be shown. The study, together with non-confidential source data, assumptions and the calculation model, must be published and subjected to a new substantive public consultation before a final decision on the reference price methodology is made. According to the consultation document, the Competition Authority will submit the materials to ACER pursuant to Article 27 of Regulation (EU) 2017/460, and ACER will publish the conclusions of its analysis after the consultation closes. At the time of preparing the consultation response, ACER's assessment has not yet been published, and its possible impact on the proposed reference price methodology therefore cannot be assessed. ACER's analysis complements the regulatory assessment, but does not replace the independent quantitative impact assessment of the Estonian implementation model and its alternatives discussed above. We ask the Competition Authority to disclose when the consultation materials were submitted to ACER, when the conclusions of the analysis referred to in Article 27(2)–(3) are expected, and how they will be taken into account in the final decision on the reference price methodology. Following publication of ACER's assessment, a point-by-point comparison must be provided showing which of ACER's observations were taken into account, which were not, and why. If the assessment identifies shortcomings in cost-reflectivity, cross-border cost allocation, the transparency of the reference price methodology, the adequacy of the consultation or the comparison with the capacity-weighted distance methodology, the methodology and impact assessment must be supplemented before a decision is made.

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	Under Article 26(1)(a)(vi) of Commission Regulation (EU) 2017/460, where the proposed reference price methodology differs from the capacity-weighted distance methodology, a comparison of the two methodologies, accompanied by indicative reference prices, must be provided. The consultation document explains that, since the beginning of 2023, Elering has had no intra-system entry points generating transmission services revenue, which has made it impossible to develop the flow scenarios required to apply the capacity-weighted distance (CWD) methodology and compare it with the proposed postage stamp methodology. We understand the specific characteristics of the Estonian gas transmission system, but consider it necessary to take account of planned changes in the system's entry points when selecting the reference price methodology. New biomethane injection points are planned for Elering's transmission network, including at Ramsi and Väike-Maarja. Before the reference price methodology is finally approved, the potential impact of these projects on entry capacities, gas flows and the comparability of the postage stamp and capacity-weighted distance methodologies must therefore be analysed, also taking into account the long-term applicability of the proposed tariff model. Furthermore, the Competition Authority states in the consultation document that the postage stamp methodology is somewhat more transparent, whereas the CWD methodology may be more cost-reflective when the price signals needed for future investments are taken into account. Accordingly, we request a comparison of the reference price methodologies for the capacity-based entry tariff for intra-system network use, namely the proposed methodology that differs from the capacity-weighted distance reference price methodology (the postage stamp reference price methodology) and the aforementioned distance-based reference price methodology, including consideration of the price signals needed for Elering's future investments. A final decision on the reference price methodology should not be made before a proper comparative analysis has been carried out and ACER's assessment taken into account. We consider it important that the Competition Authority explain in its final decision how the results of the analyses have been taken into account and that market participants have sufficient opportunity to review the supplemented materials before a decision is made. If ACER's assessment or a new independent study leads to significant changes in the substance, risk allocation or price impact of the proposed model, we consider an additional consultation necessary. According to point 4.5 of the consultation document, the capacity-based exit tariff for intra-system network use is obtained by dividing transmission services revenue by the expected contractual capacity. The calculation uses, as network use capacity for the tariff period, the sum of the maximum network use capacities agreed between Elering and network service users: 147 365 MWh/day per year. Thus, the tariff denominator is derived not from actual simultaneous peak capacity or forecast long-term capacity requirements, but from the sum of the nominal maxima in existing contracts.

Market participant	Feedback
	This starting point allows a technical tariff calculation to be made, but does not, without further analysis, support the conclusion that 147 365 MWh/day represents customers' actual and sustained capacity requirements. Under the previous volume-based tariff model, customers had no equivalent economic incentive to optimise their contractual maximum capacities. Existing contracts may therefore include historical reserves, peaks occurring at different times or capacities that are not used simultaneously. The simple sum of nominal maxima may therefore exceed the transmission network's actual simultaneous load. Moreover, the reference price methodology provides that the tariff may remain in force until the end of 2031, although the publicly available calculation materials do not show how the forecast of 147 365 MWh/day accounts for expected changes in customer behaviour after the introduction of a capacity-based charge. There is no verifiable link between existing contractual maxima, actual simultaneous peak loads in recent years, seasonality, differences between customer groups and the expected total contractual capacity for 2027. Nor has a customer-level dataset, or at least source data aggregated by customer group, been published that would allow the tariff denominator to be independently reproduced. To ensure the verifiability of the analysis, at a minimum the following is required: • publish a breakdown of the 147 365 MWh/day by customer group and exit point, showing contractual maxima, actual peak capacity and the metering period separately; • compare the sum of contractual maxima with the system's actual aggregate peak occurring in the same hour and present their ratio for at least the last three full years; • explain whether total capacity includes unused, seasonal or reserve capacity, or capacity used at different times, and how double counting of connection points and network areas has been avoided; • present scenarios for reductions of at least 10%, 20% and 30% in total contractual capacity and their impact on the unit tariff, Elering's revenue recovery, customer group costs and any need to adjust the tariff; • assess the justification for the tariff calculation basis using up-to-date system-wide data and realistic change scenarios, taking into account the uncertainty associated with the transition to capacity-based pricing. In the market participant's view, the issue is not whether the sum of existing contractual capacities may be used for an initial calculation, but whether it can serve as the basis for a tariff applicable over the long term without analysing behavioural changes, simultaneity and actual use. The Competition Authority must therefore be able, on the basis of Elering's data and analyses, to assess whether the total contractual capacity used in the tariff calculation is justified and how possible changes in that capacity would affect the tariff. The experience of the market participant's customers helps assess how quickly contractual capacities may change in response to the new price signal. The market participant introduced a tariff model with a capacity-based component for its customers on

Market participant	Feedback
	1 September 2026, and adjustments to customers' capacities are still ongoing. This is the first period in which customers are assessing their contractual maximum quantities under a direct and sustained price impact. Extensive adjustments to contractual capacities are therefore underway, and current data may not yet reflect customers' actual long-term capacity requirements. This experience should be specifically taken into account when updating Elering's forecast. Gas consumption is strongly seasonal, and the proposed capacity-based tariff changes the economic incentives of Elering's network service users when determining contractual capacity. Data from the 2026/2027 heating season will make it possible to assess actual simultaneous consumption peaks and capacity requirements, but will not yet show how contractual capacities develop after the new tariff enters into force. The sum of existing contractual maxima may therefore not reflect future total contractual capacity. The contractual capacities of Elering's network service users, including distribution system operators whose contractual capacities are determined on the basis of end-user contracts, change in stages in accordance with notice periods and the gas year cycle. Adjustments to contractual capacities may therefore extend beyond one gas year, and data from a single period do not provide a complete picture. If the tariff is set before capacities stabilise, a feedback loop may arise: capacity reductions reduce the denominator, a higher unit tariff creates an additional incentive to reduce capacity, and this may necessitate a new tariff approval procedure. The model must therefore be tested under different capacity scenarios. We ask Elering to postpone the tariff's entry into force until 1 October 2027 (the start of the gas year), update the forecast using actual data from the 2026/2027 heating season, and publish a breakdown of the updated denominator and a sensitivity analysis before approval. This would allow customers to know the new price signal before making capacity bookings for 2027/2028. We ask that uncertainty in the capacity forecast be treated as a central risk in the timing of implementation and tariff approval, rather than merely a matter of customers' contract management.
3.	The following clause-by-clause comments concern provisions of the standard terms and conditions that require clarification regardless of when 15-minute capacity monitoring is implemented. **Clauses 1.9, 2.1.14, 4.1.7 and 9.4 – aggregate network area capacity** We support the development of a methodology for separately determining the contractual and actual capacity of a distribution system operator's network area. The simple sum of connection point maxima occurring at different times within one network area does not reflect simultaneous network use. Accounting must be based on data for the same period and exclude double

Market participant	Feedback
	counting of the area and connection points; accounting for the distribution system operator's aggregate network area capacity is therefore important. **Clauses 1.10, 5.2 and 8.2 – calorific value and calculation steps** Please clarify whether the factor of 10.75 kWh/m³ is used solely for the one-off conversion of historical contractual capacity. For actual capacity, the actual calorific value to be used, temporal granularity, timestamp and rounding must be specified. A change in calorific value must not unjustifiably give rise to a contractual capacity overrun where the volumetric flow remains unchanged. **Clauses 4.4, 7.5–7.7, 10.1 and 11.1 – restriction, interruption and warnings** Please review as a whole the grounds for restricting and interrupting gas supply and the warning procedure laid down in the standard terms and conditions, and bring them into line with section 26 of the Natural Gas Act. We consider it important that, in ordinary cases of distribution network capacity overruns, Elering be required to provide a prior written warning accompanied by metering data and reasons, and allow a reasonable period for explanations and remedying the breach. Shutting off a distribution network may affect a large number of consumers, including protected customers, and must be a last resort. Exceptions relating to immediate danger and security of supply must be laid down separately and narrowly. **Clauses 7.8–7.10 – planned interruptions** Justify the duration of interruptions of up to 72 hours, set a limit on their frequency, and establish Elering's obligation to minimise their impact. The distribution system operator must have the right to submit a reasoned objection if an interruption jeopardises the sufficiency of gas reserves in the network or consumers' security of supply. **Clauses 8.1, 8.4 and 8.8 – evidential reliability of metering data** Customers must be given access to metering and calculation data at the same level of detail as that used by Elering to identify capacity overruns and calculate charges. In the event of a metering system failure, the priority of data sources, agreement on data, retention of evidence and the dispute procedure must be specified. A calculated peak must not lead to a higher long-term charge without additional verification.

Market participant	Feedback
	Clause 9.4 – changing the size of the network area The wording must not give the impression that the market participant must obtain Elering's approval for expanding its distribution network or connecting new end consumers. The scope of the provision must be limited to changes in the specific connection points or transmission service conditions agreed under the network contract between Elering and the market participant. **Clause 9.11 – deadline for disputing an invoice** The deadline of 3 working days for disputing an invoice is unreasonably short. We propose extending it to at least 10 working days to allow sufficient time to verify large volumes of metering and capacity data. **Clause 10.3 – duration of the higher charge** Please justify the need for a 36-month period of charging on the basis of higher actual capacity. In our view, no consumption peak demonstrates a sustained three-year capacity requirement. We therefore ask that a shorter period be considered and that provision be made for a tolerance margin, correction of metering errors, exceptions beyond the customer's control, and the possibility of restoring the agreed capacity earlier where actual use supports this. **Clause 10.5.7 – the network operator's lawful activities as force majeure** Elering's ordinary network operation falls within Elering's sphere of responsibility and risk. The provision should be removed from the circumstances constituting force majeure. **Clause 4.4 – scope of compensation for damage** We request that Elering's right to claim compensation for damage in the event of a contractual capacity overrun be limited to direct pecuniary damage actually incurred and substantiated, excluding loss of profit and abstract or unsubstantiated costs.
Market participant 2	
4.	The market participant understands the need to ensure the reliability and security of supply of the gas transmission network and the recovery of justified costs. In principle, the capacity guaranteed to the customer may also be taken into account when setting network charges. However, the market participant does not consider it justified to implement the proposed change according to the proposed timetable and without an adequate assessment of its impact on the industrial sector. The proposed change primarily increases the fixed costs of industrial companies with high contractual capacity. An industrial company's contractual gas capacity cannot be reduced at short notice, as its capacity requirements depend on the technical

Market participant	Feedback
	parameters of production equipment, start-up and shutdown regimes, peak consumption, security of supply, and emergency and reserve requirements. Reducing capacity may affect production capability, process safety and the company's ability to expand production in the future. Adapting to the change may require technical modifications, amendments to permits and significant investment. It is therefore not reasonable to introduce a significant new fixed cost as early as 1 January 2027. In the market participant's view, there must be at least a **24-month transition period** between publication of the final decision and full application of the charge.
5.	Although the consultation document shows a percentage decrease in the exit reference price, the existing and proposed pricing arrangements are not directly comparable. The proposed charge of €170.29/MWh/day per year would apply to the entire annual contractual capacity, which may significantly increase a large industrial consumer's annual network costs. A capacity-based charge converts what was previously a consumption-dependent cost into a fixed cost. If production volumes decline or production is temporarily suspended, the charge would generally remain unchanged. This transfers a greater share of the risk associated with changes in gas consumption and production volumes to the industrial company. Before making a decision, the Competition Authority must publish an impact assessment by customer group, comparing existing and proposed annual network costs and assessing the impact on industrial consumers with different capacity utilisation factors.
6.	The proposed gas capacity charge would not apply in isolation. From 1 January 2027, companies will also face increased pressure on energy costs due to higher electricity connection capacity charges. Changes to electricity network capacity charges have already received negative feedback from market participants. Simultaneously increasing gas and electricity capacity charges raises the fixed costs of energy-intensive industrial companies regardless of their actual production volumes. Many companies need both electricity and gas capacity for production, backup supply, emergency operation and the restructuring of their energy systems. The Competition Authority must therefore assess the **cumulative** impact of gas and electricity network capacity charges on Estonian industry. Considering individual network services separately does not provide an adequate picture of the total burden on companies.
7.	Estonian industry competes internationally with companies whose energy and network costs are determined in a different regulatory environment. Increasing energy costs directly affects production costs, decisions on production volumes and locations, and the profitability of new investments.

Market participant	Feedback
	Industrial investments are planned over a horizon of at least ten years. Abrupt changes to network charges or the principles for calculating them reduce regulatory predictability and confidence in Estonia's investment environment. This may affect both the continuation of existing production and decisions on locating new investments in Estonia. There is also a risk that network users will reduce their contractual capacities after the new charge is introduced. If Elering's cost base remains unchanged, the target revenue will subsequently have to be allocated over a smaller capacity base, which may lead to a further tariff increase. Before making a decision, the Competition Authority must provide a sensitivity analysis of this risk.
8.	The market participant does not object to a substantive discussion of the principle of capacity-based pricing. However, introducing a significant new fixed cost at short notice and at the same time as increases in electricity network capacity charges would undermine the international competitiveness of Estonian industry and investment certainty. The capacity charge should therefore be introduced gradually, for example at 25 per cent in the first, 50 per cent in the second, 75 per cent in the third and 100 per cent in the fourth year of application. In summary, the change must be discussed substantively with the industrial sector, its impact must be thoroughly assessed, and companies must be given sufficient time to adapt their production, energy supply and investment plans.
Market participant 3	
9.	**1. Clause 1.10 – conversion of contractual capacity** **Proposal.** Use the actual gross calorific value of gas for each month, rather than a fixed value of 10.75 kWh/m³, when converting contractual capacity expressed in cubic metres per hour into megawatts. **Justification.** The monthly gross calorific value is already used for gas billing and, under clause 5.2, for balancing period accounting. Using the same value ensures consistency between capacity and energy quantity and avoids discrepancies arising from a fixed assumption. **Proposed wording for clause 1.10:** "The network operator shall convert the maximum contractual capacity of the connection point into megawatts (MW) using the gross calorific value of gas for the relevant month. The contractual capacity of the connection point shall be calculated using the formula P = Q × Hs / 1000, where P is the contractual capacity in megawatts (MW), Q is the contractual capacity agreed in the connection or network contract in cubic metres per hour (m³/h), and Hs is the gross calorific value of gas for the relevant month in kilowatt-hours per cubic metre (kWh/m³)."
10.	**2. Clauses 2.1.11, 8.2 and 10.2 – measurement period for actual capacity** **Proposal.** Replace the 15-minute period with a one-hour period in all the above clauses.

Market participant	Feedback
	Justification. In the gas market, consumption data are collected, transmitted and used for billing on an hourly basis. An hourly measurement period is consistent with existing data arrangements, ensures uniform application of the various conditions and avoids a requirement for which no common 15-minute dataset is available. **Replacement wording for clause 2.1.11:** "Actual capacity means the actual value, in megawatts (MW), of the capacity used by the customer at a connection point, at connection points or at the connection points of a distribution system operator's network area, measured under reference conditions over a period of no less than one hour." **Replacement wording for clause 8.2:** "The actual consumption capacity of a connection point or connection points, including a distribution system operator's network area, shall be determined on the basis of the gas flow through the metering points over a period of no less than one hour." **Replacement wording for clause 10.2:** "The network operator shall monitor the use of contractual capacity over a period of no less than one hour."
11.	**3. Clause 4.4 – restriction of gas flow and compensation for damage** **Proposal.** Make the right to restrict or interrupt gas flow conditional on an actual and substantiated threat to gas distribution station equipment, and limit the compensation obligation to direct damage incurred by the network operator. **Justification.** The distribution network provides a vital service, and capacity may fluctuate due to climatic conditions, the specific characteristics of the network or an emergency in the distribution network. The distribution system operator should not bear the transmission system operator's ordinary business risks or be liable for situations it did not cause. **Proposed wording for clause 4.4:** "If actual capacity at a connection point or in a distribution system operator's network area exceeds the contractual capacity specified in the network contract, and the overrun entails a substantiated risk of gas distribution station equipment failure or a threat to the safe operation of the network, the network operator shall have the right to restrict or interrupt the gas flow in accordance with the procedure laid down in the standard terms and conditions and to claim compensation for direct damage attributable to the customer's fault."
12.	**4. Clause 6.2 – submission of a gas installation audit** **Proposal.** Limit the obligation to submit an audit to the initial commencement of gas supply at the connection point. **Justification.** An audit requirement upon initial commencement of gas supply is justified to ensure safety. Subsequent state supervision and inspection fall within the competence of the Consumer Protection and Technical Regulatory Authority. A continuous obligation for network operators to monitor each other would result in overregulation and duplication of responsibilities.

Market participant	Feedback
	Proposed wording for clause 6.2: "Upon the initial commencement of gas supply at the connection point, the customer shall submit to the network operator the audit of the customer's gas installation required under the Equipment Safety Act, in accordance with the procedure laid down in legislation and the connection conditions. In the absence of the required audit, the network operator shall have the right to refuse to commence gas flow until the audit is submitted."
13.	**5. Clause 7.8 – advance notice of planned interruptions** **Proposal.** Require at least 28 days' advance notice of a planned interruption and separate agreement with all affected customers for interruptions between 1 October and 1 May. **Justification.** A ten-day notice period is insufficient for planned works. Account must also be taken of the fact that gas distribution networks themselves have notice periods for gas consumers. A longer period allows the distribution system operator and consumers to reorganise their activities. During the heating season, an interruption may cause significant damage even to a customer who does not qualify as a protected customer. **Proposed wording for clause 7.8:** "The network operator shall have the right to require the customer to accept an interruption of gas supply for planned network maintenance, including diagnostics, repairs or extensions, lasting up to 72 hours, where the works cannot be carried out without interrupting the gas flow. The network operator shall agree the planned interruption with the customer at least 28 days in advance. Between 1 October and 1 May, a planned interruption of gas supply shall be agreed separately with each affected customer."
14.	**6. Clause 7.10.2 – interruptions lasting more than 72 hours** **Proposal.** In addition to publication on the website, establish an obligation to notify affected customers directly using their known contact details and to take account of customers' justified constraints when planning an interruption. **Justification.** An interruption lasting more than 72 hours may cause extensive disruption to production or services. A notice published solely on a website does not ensure that the affected customer receives the information in good time. **Proposed wording for clause 7.10.2:** "For an interruption of gas supply lasting more than 72 hours between 2 May and 30 September, the network operator shall publish the interruption schedule on its website at least 42 days in advance, notify affected customers directly using their known contact details, and take reasonable account of customers' justified constraints and requirements when determining the timing and duration of the interruption."
15.	**7. Clause 10.3 – consequences of exceeding capacity** **Proposal.** Replace the 36-calendar-month period of higher network charges with 12 calendar months, and exclude overruns caused by a substantiated emergency in the distribution network.

Market participant	Feedback
	Justification. A 36-month period is disproportionately long, considering the time needed to apply for additional capacity, the weather cycle and the potentially one-off nature of an overrun. Nor should a penalty apply to an overrun caused by a situation arising from a third party's actions or another substantiated emergency in the distribution network. **Proposed wording for clause 10.3:** "If contractual capacity is exceeded, the customer shall pay network charges based on the actual capacity for the following 12 calendar months. The higher network charge shall apply from the first day of the calendar month following the overrun. If, during that period, the customer exceeds the capacity used as the basis for calculating network charges, a new 12-month charging period based on the new actual capacity shall begin. This clause shall not apply to capacity overruns caused by a substantiated emergency affecting the distribution system operator, where the overrun was beyond its reasonable control."
16.	**8. Clause 12.1 – increasing contractual capacity** **Proposal.** Supplement the clause with the procedure, time limit, technical prerequisites and basis for any charge relating to an increase in contractual capacity. **Justification.** The current wording addresses only capacity reductions. To ensure legal clarity and equal treatment of the parties, the customer must also know how and under what conditions contractual capacity can be increased. **Proposed addition to clause 12.1:** "To increase contractual capacity, the customer shall submit an application to the network operator. If the requested capacity does not exceed the connection capacity agreed in the connection contract and covered by the connection charge, and the network's technical transmission capacity permits the increase, the parties shall amend the network contract without a new connection charge. If the requested capacity exceeds the connection capacity or requires network upgrades, the procedure laid down in the connection conditions shall apply."
17.	**9. Termination of the network contract upon destruction of the network connection** **Proposal.** Retain the destruction of the consumer or producer installation or the network connection as a ground for termination of the network contract, or clearly justify the removal of this ground. **Justification.** If the installation or network connection that is the subject of the contract has been destroyed, continuation of the contract may create uncertainty regarding the parties' obligations, charges and liability. **Proposed wording:** "The network contract shall terminate upon destruction of the consumer or producer installation or the network connection, unless the parties agree to restore the connection and continue the contract."

Market participant	Feedback
18.	**10. Retention of connection capacity covered by the connection charge** **Proposal.** State unambiguously that reducing contractual capacity in the network contract does not reduce the connection capacity agreed in the connection contract and covered by the connection charge, unless the customer expressly waives that right and the parties agree on any compensation. **Justification.** Network operators have paid a connection charge for a specified capacity, and a reduction in contractual capacity prompted by the capacity-based tariff model should not result in the loss, without compensation, of a previously acquired and funded connection right. The opposite approach could lead to a situation where a new connection charge must be paid to restore the same capacity, even though the corresponding network capacity has already been financed through the earlier charge. **Proposed wording:** "A reduction in contractual capacity agreed in the network contract shall not alter the connection capacity agreed in the connection contract and covered by the connection charge. The customer shall have the right to restore contractual capacity up to that connection capacity without a new connection charge, provided that the technical condition of the network permits it. If connection capacity is permanently reduced, the fair treatment of the corresponding portion of the previously paid connection charge shall be agreed with the customer."
Market participant 4	
19.	The market participant supports the introduction of requirements necessary to ensure the safe and reliable operation of the network. However, these requirements must be proportionate and should not unjustifiably restrict the normal activities of biomethane producers. We therefore wish to submit our observations on clauses 3.10, 6.7, 6.8 and 10.3. **1. Clause 3.10 – Changing production equipment or feedstock** Under clause 3.10, replacing production equipment or changing the feedstock used in production requires an application to amend the network contract or, where necessary, a new connection application. In biomethane production, it is common for the composition and proportions of feedstocks to change over time. Upgrading and replacing production equipment is also part of normal business operations. We consider that such changes should not automatically entail an obligation to amend the network contract or undergo a new connection procedure if they do not affect the technical parameters of the connection point, gas quality or network safety. **Proposal:** Delete this clause
20.	**2. Clause 6.7 – Introducing a new feedstock** Under clause 6.7, the introduction of any new feedstock not specified in the connection contract requires a new connection application.

	We consider this requirement unreasonable given the specific characteristics of biomethane production. Biomethane plants use various organic feedstocks whose availability depends, among other factors, on seasonality and suppliers. Producers must be able to substitute and add feedstocks flexibly. A change in feedstock does not in itself imply a change in the quality of gas injected into the network or in the technical parameters of the connection point. **Proposal:** Delete this clause
21.	**3. Clause 6.8 – Replacing or modifying a gas installation** The current wording of clause 6.8 requires a new connection procedure when a gas installation is replaced or modified. The provision is too general and allows an interpretation under which a new connection procedure would also be required, for example, when replacing a compressor or gas purification unit, even if the technical parameters of the network connection remain unchanged. Such a requirement would impose an unjustified administrative burden on producers and could hinder routine equipment maintenance, upgrades and improvements in production process efficiency. **Proposal:** Clarify that a new connection procedure is required only where a modification to the gas installation affects the suitability of the existing connection point, the technical parameters of the network connection or network safety. Replacing equipment with equivalent equipment should not require a new connection procedure.
22.	**4. Clause 10.3 – Exceeding contractual capacity** Under clause 10.3, if contractual capacity is exceeded, network charges for the following 36 calendar months are calculated on the basis of the higher capacity actually reached. We consider this provision disproportionate. Even a one-off, short-term capacity overrun may result in a higher network charge for three years, regardless of whether the higher capacity is subsequently used. Given that capacity overruns are assessed on the basis of a measurement period as short as 15 minutes, even a very brief deviation may impose a significant long-term financial obligation on a company. In our view, this approach is neither justified nor proportionate to the potential impact on the network. **Proposal:** Remove the automatic application of a higher network charge for 36 months. In the event of a capacity overrun, any additional charge should be proportionate to the extent and duration of the overrun. Charging on the basis of a permanently higher capacity could be justified only where use of the higher capacity is recurrent or sustained.