ERSE
ENTIDADE REGULADORA
DOS SERVIÇOS ENERGÉTICOS

MOTIVATED DECISION ON MULTIPLIERS, SEASONAL FACTORS AND DISCOUNTS

ARTICLE 28(2) OF TAR NC

June 2026

This document is prepared for printing on both sides.

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1 CONSULTATION ON MULTIPLIERS, SEASONAL FACTORS AND DISCOUNTS

Article 28(2) of Commission Regulation (EU) 2017/460, establishing a network code on harmonised transmission tariff structures for gas (hereafter: TAR NC), mandates to conduct every tariff period a consultation with the national regulatory authorities of all directly connected Member States. The consultation must cover multipliers, seasonal factors and the discounts set out in Articles 9(2) and 16 of the TAR NC. With the exception of the discounts set out in Article 9(2), this consultation is limited to Interconnection Points (IP) only, as required by the TAR NC, unless the national regulatory authority decides to extend the scope of Chapter III 'Reserve prices', from the TAR NC, to non-IPs. The only IP of Portugal is the Virtual Interconnection Point (VIP) Iberico.

ERSE, the Energy Services Regulatory Authority, sent on 1sf April 2026 to the National Commission of Markets and Competition ('CNMC') a consultation on discounts, multipliers and seasonal factors, as required under article 28(2). On 22 April 2026, ERSE received CNMC's response, indicating that it had no comments. Given the absence of comments, ERSE's decision is identical to the proposal in the consultation.

1.1 MULTIPLIERS

The level of multipliers at VIP Iberico must comply with Article 13 of the TAR NC: for quarterly and monthly products they shall be no less than 1 and no more than 1,5; for daily and within-day products, they shall be no less than 1 and no more than 3 [1].

Multipliers for quarterly, monthly and daily products have been reviewed for gas year 2024-2025, following the consultation process of Article 26 of the TAR NC [2]. These multipliers were maintained in 2025-2026. ERSE proposes to maintain the same multipliers for gas year 2026-2027.

[1] In duly justified cases, the level of the respective multipliers may be less than 1, but higher than 0, or higher than 3.

[2] Public consultation no. 117, referring to the periodic consultation in accordance with Article 26 of the Network Code on harmonised transmission tariff structures for gas.

Table 1 - Multipliers for non-yearly standard capacity products at VIP Iberico, gas year 2026-2027

MULTIPLIERS OF THE TRANSMISSION TARIFF Entry points and exit points	
VIP Iberico	
Quarterly product	1,18
Monthly product	1,35
Daily product	1,94
Within-day product	2,13

Article 28(3)(a) of the TAR NC refers five criteria to take into account by the national regulatory authority when adopting its decision [3]. ERSE considers that the current level of multipliers meets the five criteria for multipliers.

The first criterion, of a balance between short-term gas trade and long-term signals for efficient investment, is satisfied as market agents reserve capacity at VIP Iberico in the various horizons of capacity products. The multipliers for non-yearly standard capacity products should represent a balance between two opposite objectives. On the one hand, multipliers should be high enough such that long-term bookings are not discouraged as investments in transmission assets have a long-term perspective. On the other hand, multipliers should be low enough to avoid the creation of barriers for short-term bookings, which would hamper flexibility and the entry of new players into the market. Moreover, multipliers should increase as the duration of the product type decreases, encouraging capacity bookings that give greater predictability to the management of the system.

The second criterion, of the impact on revenue recovery, is ensured through the stability of the multipliers, which has allowed ERSE to estimate the use of VIP Iberico in the various time horizons with greater certainty, mitigating the risk of revenue deviations due to changes in multipliers. The review of the multipliers in gas year 2024-2025 represented no structural change when compared to the previous multipliers, with multipliers decreasing in all time horizons to a limited degree.

In view of the third criterion, cross-subsidization between network users is avoided as the same multipliers are applied for the two supply entry points of the Portuguese system, represented by VIP Iberico and the

[3] The criteria are: (i) the balance between facilitating short-term gas trade and providing long-term signals for efficient investment in the transmission system; (ii) the impact on the transmission services revenue and its recovery; (iii) the need to avoid cross-subsidisation between network users and to enhance cost-reflectivity of reserve prices; (iv) situations of physical and contractual congestion; (v) the impact on cross-border flows.

liquified natural gas (LNG) terminal in Sines. Since the same multipliers are applied for capacity products with the same duration across these two entry points, in the event of greater short-term volatility it is not expected that multipliers will be a determinant factor for gas supply to consider one specific entry point over the other.

In the fourth criterion, on situations of physical and contractual congestion, this situation is not applicable to Portugal since physical congestion has never been recorded at VIP Iberico, nor the application of risk premia in capacity auctions.

Finally, in the criterion related to cross-border flows, multipliers are considered to be neutral for cross-border flows, since the same multipliers are applied in both directions of VIP Iberico and on the other supply entry point (i.e. LNG terminal) of the Portuguese system.

1.2 SEASONAL FACTORS

Seasonal factors have not been applied at VIP Iberico, and are not going to be proposed for gas year 2026-2027.

1.3 DISCOUNTS

The TAR NC requires consulting on discounts pursuant to Article 9(2) and Article 16.

Article 9(2) foresees the possibility to apply discounts at entry points from LNG facilities and at entry points from and exit points to infrastructure developed with the purpose of ending the isolation of Member States. The Portuguese tariff code does not establish such discounts for transmission tariffs. As such, said discounts are not being proposed for gas year 2026-2027.

Article 16 of the TAR NC establishes the rules for discounts applied to reserve prices for standard capacity products of interruptible capacity. Until gas year 2020-2021 the Portuguese tariff code defined that the ex-post discount, pursuant to Article 16(4), would be applied by default to VIP Iberico as long as there was no interruption of capacity due to physical congestion in the preceding gas year [4]. Following the Tariff

[4] Should this occur, then an ex-ante discount would be applied.

Council [5] and TSO's concerns towards the ex-post discount, ERSE proposed in the regulatory review no. 96 [6] a more flexible framework for the discount applied to interruptible capacity. Under this framework ERSE selects for every tariff period which discount to apply (ex-ante or ex-post), having to submit this choice to the Tariff Council, together with the overall tariff proposal for the next tariff period. Consequently, this information would also need to be submitted to CNMC, following the consultation requirements under Article 28(2) of the TAR NC.

In what regards gas year 2026-2027, ERSE proposes to continue to apply an ex-ante discount at VIP Iberico. This decision is grounded on the responses received during the regulatory review in early 2021. The TSO and the Tariff Council, which includes several stakeholders, have advocated for the use of the ex-ante discount. According to the TAR NC, the discount applied to interruptible capacity must be computed according to Article 16, with the percentage discount resulting from the following expression:

$$\text{Discount}_{\text{ex-ante}} = \text{Pro} \times \text{A} \times 100\% \,,$$

where Pro is the probability of interruption and A is the adjustment factor, applied to reflect the estimated economic value of the type of standard capacity product for interruptible capacity.

Following a study presented by the TSO, which has to present to ERSE a proposal for the probability of interruption (Pro) and the adjustment factor (A), ERSE is considering to adopt the values presented by the TSO for these parameters, leading to the ex-ante discount presented in Table 2.

[5] The Tariff Council is a collegiate and a consultation body composed by the members provided for in article 46 of ERSE's Statutes (regulated companies, consumer associations, among others), appointed in accordance with the rules established in Regulation 628/2019, of 9 August, for a renewable three-year term of office.

[6] Consultation process from 19 January 2021 to 2 March 2021. Documentation available (in Portuguese) at ERSE's webpage.

Table 2 - Ex-ante discounts for standard capacity products for interruptible capacity at VIP Iberico, gas year 2026-2027

		Probability of interruption	Adjustment factor	Ex-ante discount
		Pro	A	$\text{Discount}_{\text{ex-ante}}$
Entry point	Daily product	4,6%	1	4,6%
	Within-day product	4,6%	1	4,6%
Exit point	Daily product	4,6%	1	4,6%
	Within-day product	4,6%	1	4,6%

Some additional remarks are due. First, the probability of interruption (Pro) indicated in Table 2 is not an estimate of the likelihood of an interruption at VIP Iberico. The Pro factor represents the **likelihood of an interruption of the product for interruptible capacity**. Notice that interruptible capacity is only offered at VIP Iberico once firm daily capacity is totally booked. Therefore, in order for interruptible capacity to be offered there must exist contractual congestion at VIP Iberico, with interruptible capacity corresponding to the idle capacity of the network users who booked firm capacity. Thus, even if one admits that currently the probability of observing an interruption at VIP Iberico is close to 0%, once interruptible capacity is offered due to contractual congestion, the probability of interrupting a product for interruptible capacity will be larger than that value. ERSE considers that probability to be equal to 4,6%, following a study prepared by the TSO ('*REN Gasodutos*').

Secondly, due to the absence of concrete data on the interruption of interruptible capacity at VIP Iberico, the TSO has developed a theoretical model to obtain an estimate for the Pro factor. Since that model does neither distinguish daily from within-day products, nor the entry from the exit direction, the current analysis presents the same estimate for all products presented in Table 2.

Thirdly, this year's analysis by the TSO led to a probability of interruption (Pro) at VIP Iberico of 4,6%, identical to the value in gas year 2025-2026 [7].

[7] The TSO's evaluation of the probability of interruption prepared for gas year 2025-2026 can be found at ERSE's webpage.

1.4 TARIFF DISCOUNTS PURSUANT TO REGULATION (EU) 2024/1789

Regulation (EU) 2024/1789 of the European Parliament and of the Council, of 13 June 2024, on the internal markets for renewable gas, natural gas and hydrogen, establishes in Article 18 tariff discounts for renewable gas and low-carbon gas, applicable to the transmission tariffs.

In paragraph 1 it establishes tariff discounts at entry points from renewable gas and low-carbon gas production facilities and for capacity-based transmission tariffs at entry points from and exit points to natural gas storage facilities [8,9]. In paragraph 4 it sets tariff discounts at interconnection points between Member States, after network users provide the transmission system operator concerned with a proof of sustainability.

Moreover, Article 18(5) sets derogation rules on how regulatory authorities may decide not to apply the tariff discounts or to lay down discounts lower than those laid down in paragraphs 1 and 4 of Article 18.

For gas year 2026-2027, ERSE proposes to apply the tariff discounts as laid down by Regulation (EU) 2024/1789 in paragraphs 1 and 4 of Article 18, identical to its decision of gas year 2025-2026.

[8] Unless such a storage facility is connected to more than one transmission or distribution network and is used to compete with an interconnection point.

[9] Notice that in Portugal a 100% discount is already applied at the entry points to the transmission network from storage facilities and at the exit points from the transmission network to storage facilities, pursuant to Article 9(1) of the TAR NC.