

SE-29.3 Strategic Booking Decisions in the European Gas Market

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We analyze strategic booking decisions in liberalized gas markets based on multilevel Optimization and Equilibrium Problems. In European Gas markets scarce network capacities are assigned according to the so called entry-exit system, where suppliers prior to their nomination decisions to indeed inject or withdraw gas from the network, have to book appropriate capacities. Competition authorities and policy makers are concerned with exercising market power by withholding strategically booked capacities. We formulate the resulting strategic situation as an equilibrium problem with equilibrium constraints (EPEC). This allows us to quantitatively analyze strategic booking decisions and the impact of policy measures designed to overcome overbooking and strategic withholding of bookable capacities.