

# European Workgroup



European Workgroup  
6<sup>th</sup> February 2014

## EU updates

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- EU updates - standing agenda item at Transmission Workgroup since Nov 2011
- EU Implementation Programme session at the January Transmission Workgroup highlighted the challenges ahead
- UNC Panel (Jan 14) asked whether we should continue with the TX WG or create a EU WG
- UNC Panel supported the setting up of the EU WG

# Suggested Agenda

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- General Update
  - EU Code Updates
  - UNC Modification Plans
  - System Developments Update
  - Draft EU Modifications
  - Workgroups
  - AOB
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- Does this agenda seem appropriate or do you have any suggestions?

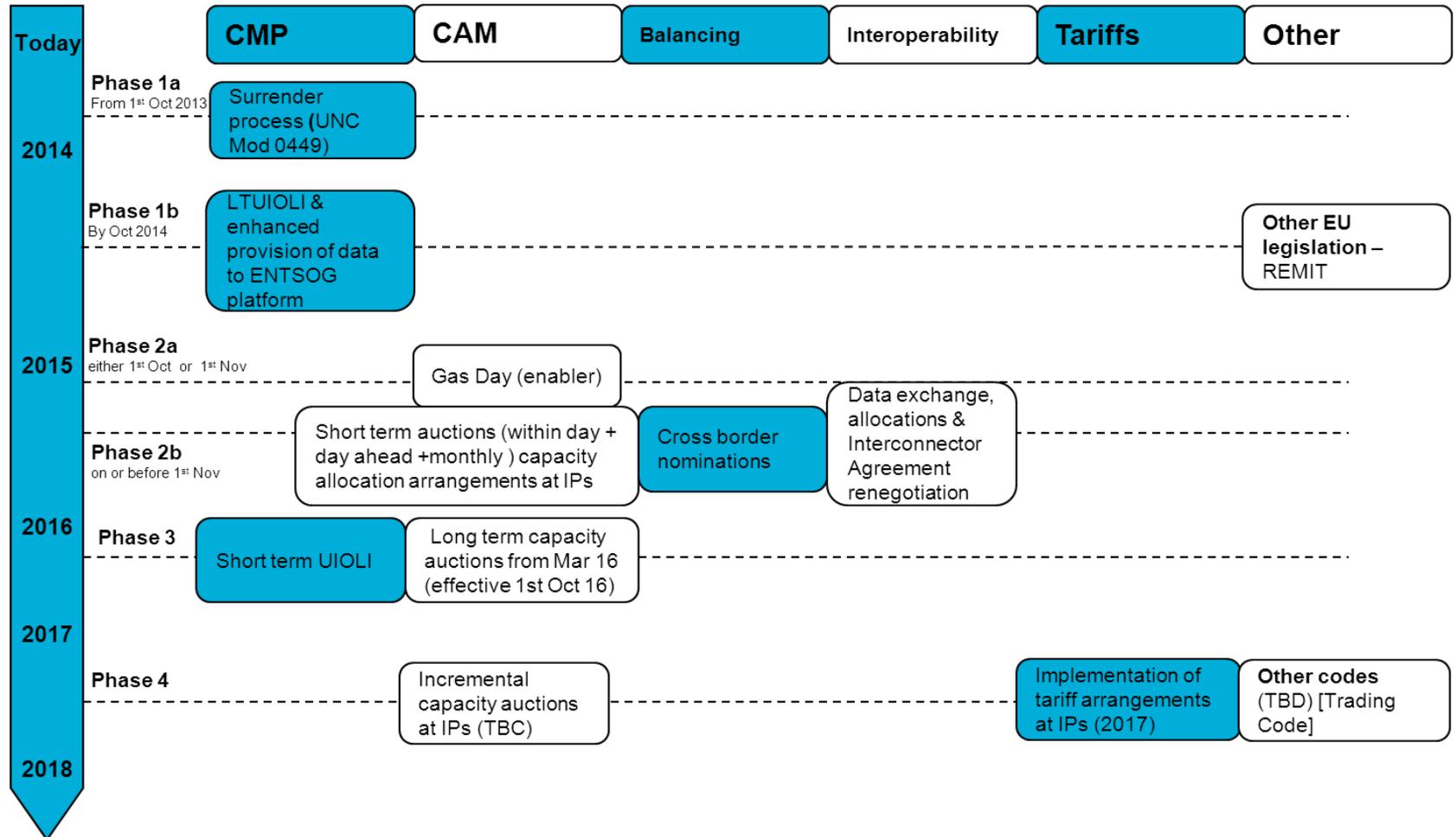
# 1. General Update

# Code Status Update

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Code	Current Status	Implementation date
Congestion Management (CMP)	Implemented	1st October 2013 (Fixed)
Capacity Allocation Mechanism (CAM)	CAM approved for EU Wide Implementation at relevant EU IPs 1st November 2015.	1 November 2015 (Fixed)
Gas Balancing	ACER approved the code on 20th March 2013 and comitology started in July 2013. Code approved by EC at the comitology meeting on the 2nd October.	Oct 2015/Oct 2016 (subject to NRA approval for additional 12 months to implement) (Fixed)
Interoperability	On 15 January ACER submitted its recommendation to the EC for the EC to adopt the Code. Pre-comitology meeting to take place on 21st January, with comitology meetings scheduled for 28 April and 11 July 2014.	Q4 2015 (Estimated)
Tariffs	ENTSOG received letter to commence Tariff NC 19th December 2013. Launch Document now published with first SJWS 11th February. Code to be submitted 31st December 2014.	Estimated earliest mid January 2017. Applicable from October 2017.
Incremental Capacity	ENTSOG received letter to commence Tariff NC 19th December 2013. Incremental Capacity to be introduced via combination of new articles in CAM Network Code and via Tariffs Network Code. Launch Document now published with first SJWS 10th February. Code amendment to be submitted 31st December 2014.	Applicable from March 2017

# Road Map



Notes: 1) Short term UIOLI may not be required for NTS

2) Long term capacity auctions may need to be delivered in conjunction with short term auctions

## 2. EU Code Updates

# EU Interoperability & Data Exchange Network Code



Update for Transmission Workgroup

6<sup>th</sup> February 2014

## Current Position

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- Code development work complete
- On 15 January ACER submitted its recommendation to the EC for the EC to adopt the Code
- ACER has proposed 2 changes:
  - Art 20 (Data Exchange) definition of ‘counterparties’ should include ‘network users active at virtual trading points, who engage in transmission between such trading points’
  - Art 25 – remove reference to cost recovery on basis that this already covered in Third Package (Directive 2009/73/EC)
- The EC is drafting an Impact Assessment
- Comitology meetings in April and July 2014, resulting in a compliance deadline of Q4 2015

# ENTSOG workshop on common Data Exchange solutions, 25 February

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This Workshop (09.00-15.00 BST) will cover:

- CNOT (Common Network Operational Tools) process presentation
- BRS (Business Requirements Specifications) development presentation: pilot project results on Nominations and Matching; status of CAM BRS and planned extensions including CMP provisions
- AS4 protocol profile development process: status, proof of concept, next steps
- Enrolment via this link: <http://www.entsog.eu/>

## Next Steps

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- Comitology meetings scheduled for 28 April and 11 July 2014

# Tariff Code & Incremental Capacity Amendment

Colin Hamilton

# Tariff Code & Incremental Capacity Amendment

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- **ACER published Tariff Framework Guideline plus Guidance on Amendment Proposals for CAM – 2<sup>nd</sup> December 2013**
- **ENTSOG received two invitations from European Commission of 19<sup>th</sup> December 2013:**
  - *to draft a Network Code on Tariff Structures in Gas Transmission Networks (the TAR NC);*
  - *to draft an amendment on incremental and new capacity to the Network Code on Capacity Allocation Mechanisms (the incremental proposal)*

# Tariff Code & Incremental Capacity Amendment

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- **Launch Documents now published:**

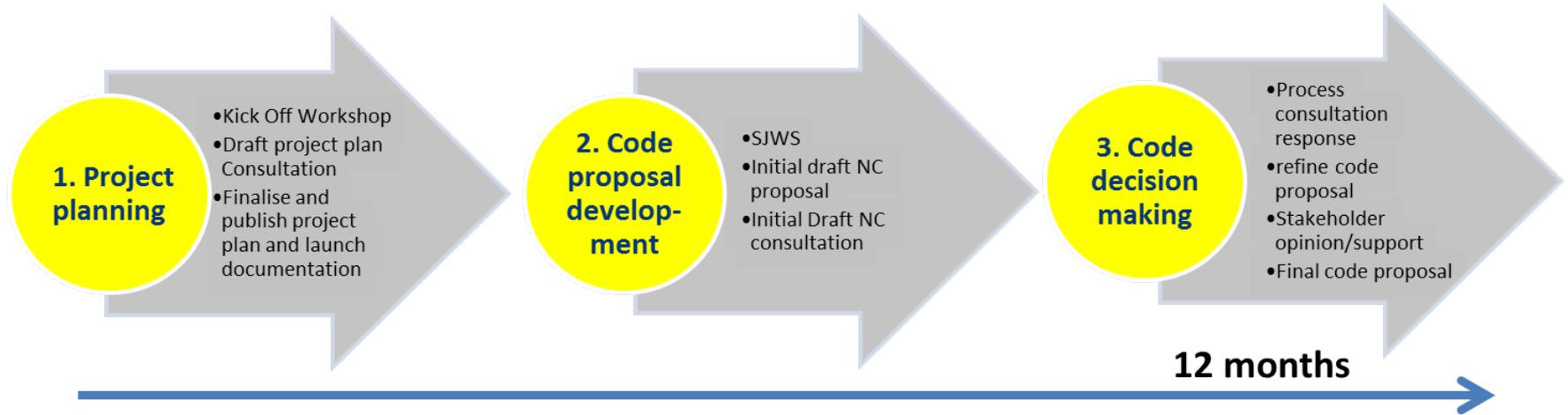
- Tariffs:

- <http://www.entsog.eu/publications/tariffs>

- Incremental Capacity:

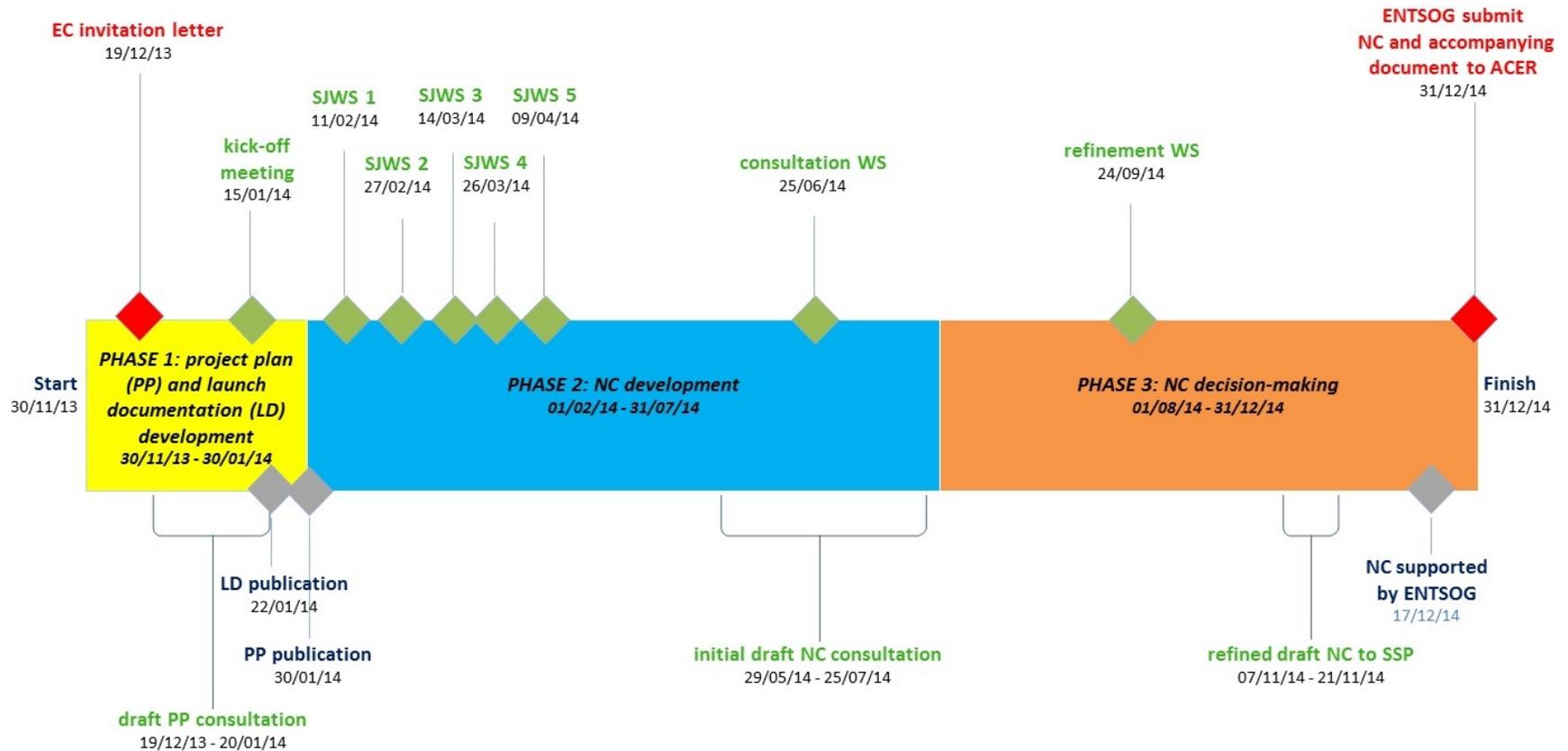
- <http://www.entsog.eu/publications/incremental-capacity#All>

# Project Phases



<b>STAKEHOLDER INVOLVEMENT</b>	<b>KICK OFF WORKSHOP</b>	<b>STAKEHOLDER JOINT WORKING SESSIONS</b>	<b>REFINEMENT WORKSHOP</b>
	<b>PROJECT PLAN CONSULTATION</b>	<b>FORMAL DRAFT NETWORK CODE CONSULTATION</b>	<b>STAKEHOLDER SUPPORT PROCESS</b>
	<b>LAUNCH DOCUMENTATION</b>	<b>CONSULTATION WORKSHOP</b>	
<b>INFORMAL, BI-LATERAL and ADHOC INTERACTIONS AS REQUIRED THROUGHOUT THE PROCESS</b>			

# TAR NC Development Process



## TAR NC Phase 2: Proposal Development

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- **Planned Start:** 1 February 2014
- **Planned End:** 31 July 2014
- **Main Activities**
  - Stakeholder engagement through SJWSs
  - Prepare Initial Draft TAR NC
  - Consultation on Initial Draft
  - Consultation workshop
- **Key Deliverables**
  - For each SJWS: an invitation, an agenda, supporting materials and notes
  - The Initial Draft TAR NC and a Supporting Document

## TAR NC Phase 3: Decision making

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- **Planned Start:**                   **1 August 2014**
- **Planned End:**                   **31 December 2014**
- **Main Activities**
  - Processing of the consultation responses
  - Refinement of the Initial Draft TAR NC
  - Stakeholder Support Process
  - Processing of SSP responses and reporting on SSP results
  - Finalisation of the TAR NC and a Supporting Document
  - Submission of the TAR NC and a Supporting Document to ACER
- **Key Deliverables**
  - The Refined Draft TAR NC and a Supporting Document
  - Report on the results of SSP
  - The TAR NC to ACER and a Supporting Document

# Emerging Issues from Stakeholders

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- **Floating price principle versus fixed price**
- **Mitigating measures**
  - **Should mitigating measure be enduring?**
  - **Smoothing prices increase over tariff period**
  - **Possibility for a shipper to terminate capacity contracts**
- **Multipliers and seasonal factors**
  - **Concern about cross-subsidisation between different categories of network users**
  - **Default day-ahead reserve price multiplier**
  - **Within day multiplier should be zero by default**
- **Interruptible capacity – how to determine risk of interruption**
- **Storage – determining benefits of storage need for efficient investment – how to apply these to entry/exit tariffs**
- **“50/50 entry/exit split should be starting point” vs “50/50 should be last resort”**
- **Align publication notice period with CAM NC auction calendar**
- **What problem are we trying to fix? – is the potential impact justified?**

# SJWS 1: 10-11 February 2014

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## ■ INC CAP

- Definitions;
- Co-ordination Requirements;
- Information Provision;
- Economic Test
- Tariff-related Issues

## ■ TAR NC

- Bundled Capacity,
- Cost Allocation,
- Interruptible Capacity & Non-physical backhaul,
- Payable Price,
- Virtual Interconnection Points (VIPs)

## 3. UNC Modification Plans

## Action Update

Action Ref	Meeting Date(s)	Ref	Action	Owner
TR101	09/01/14	2.8	UNC Modification Plans – All to consider the best approach and provide views to Chris Shanley by 14 January 2014.	ALL

- NG NTS believe that:
  - it is not appropriate to raise one “super” Mod, as this is likely to be very complex and delay matters
  - best to implement on a code by code basis - whether this be 1 Mod or a Mod per area of change
- This approach was supported by all those shippers that contacted NTS and UNC Panel members

# Phase 2 UNC Modifications

## Potential Timescales

EU Network Code	Area of change	Panel Submission	Workgroup Development	UNC Consultation
Balancing	Information Provision	Q1 - 2014	6 Months	Q3 - 2014
	SMP Buy & Sell	Q1 - 2014	6 Months	Q3 - 2014
	Nomination Process at IP's	Q2 - 2014	6 - 9 Months	Q4 -2014
CAM	CAM / CMP Compliant Capacity Auctions	Q2 - 2014	6 - 9 Months	Q4 - 2014
	Gas Day (Mod 0461)	Complete	Complete	Closes 27 <sup>th</sup> Jan 2014
Interoperability	OBAs / allocations	Q2 - 2014	6 Months	Q4 - 2014
	Interconnection Agreements/ Contract Changes (facilitating Modification )	Q3 - 2014	6 Months	Q1 - 2015
	Data Exchange	Q3 - 2014	6 Months	Q1 - 2015

## 4. System Developments

## 5. Draft Modifications

## CMP – LTUIOLI: Interim Solution

6 February 2014

# CMP – LTUIOLI: Interim Solution

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- Slides to follow

# EU Balancing Code – Information Provision



Chris Shanley

## Modification outline (1)

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At the December 2013 Transmission Workgroup NTS indicated that a draft Modification would be developed to;

- Create a new NDM Forecast at 12:00. Options:
  - 1) Keep existing UNC D-1 14:00 time and add an additional NDMA publication at D-1 12:00 (using existing methodology). This option was supported by TX WG members and has been included in the draft Mod.
  - 2) Move existing UNC D-1 14:00 NDMA publication time 2 hours to 12:00 hours.
  - 3) Move all NDMA publication times with the first one starting at D-1 12:00 hours

# NDMA Process

- **Non-Daily Metered Allocation Process (NDMA)**

- Gemini calculates the NDMA using LDZ demand forecasts and weather forecasts

UNC (Required by time)	NG NTS Run Time	EU Balancing Code	Compliant
*D-1: 14:00	D-1: 13:05	D-1: 12:00	
D-1: 18:00	D-1: 16:00		
D-1: 02:00	D-1: 00:00		
D: 12:00	D: 10:00	D: 13:00 (latest)	
D: 15:00	D: 13:00	2 <sup>nd</sup> to be agreed with NRA	
D: 18:00	D: 16:00		
D: 21:30	D: 20:45		
D: 02:00	D: 00:00		

\* Affected UNC time due to EU Balancing Code

## Modification outline (2)

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- Create requirement for Xoserve to provide an NDMA Accuracy Report
  - *Balancing code: a report on the accuracy of a shipper's non daily metered off-takes shall be published by the forecasting party at least every two years*
  - NG initial thoughts on such a report have been included in the draft Mod. This is a key area for development during workgroup discussions
- Amend UNC Section E regarding timing of Initial allocation to D+1
  - No system changes are envisaged as the data is already published as per the Balancing Code

## Next Steps

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- Draft Modification Published alongside the material for this meeting
- Any comments are welcome – [chris.shanley@nationalgrid.com](mailto:chris.shanley@nationalgrid.com)
- Modification to be raised at Feb or March UNC Panel meeting