

## European Developments



Transmission Workgroup  
5<sup>th</sup> December 2013

## Long-term Use-it-or-lose-it Mechanism

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- Congestion Management Procedures amends EC 715/2009
  - Implemented 1<sup>st</sup> October 2013
  - Includes long-term use-it-or-lose-it (LTUIOLI) mechanism
  - LTUIOLI consists of
    - Monitoring & Reporting of utilisation
    - Withdrawal mechanism (*required from 1<sup>st</sup> October 2014*)
- Interim solution required but will need to be reviewed:
  - CAM implementation (Nov. 2015)
  - Firm Day Ahead UIOLI – if applied in GB (July 2016)
  - Bacton split

## Long-term Use-it-or-lose-it Mechanism

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- Considerations for LTUIOLI to be implemented in GB
  - Clear rules so that shippers understand process
  - Development of objective test for underutilisation
    - Performed by TSO & reported to NRA and affected shippers
  - Opportunity for shipper to justify level of utilisation
  - Withdrawal mechanism
    - NRA triggers withdrawal process and shall require TSOs to withdraw capacity they determine to be underutilised.
- Mod development discussions to begin at start of 2014
  - Applicable from 1<sup>st</sup> October 2014

# EU Interoperability & Data Exchange Network Code



Update for Transmission Workgroup

5<sup>th</sup> December 2013

## Current Position

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- ENTSOG's Interoperability Network Code and an accompanying 'Analysis of Decisions' document were sent to ACER on 10<sup>th</sup> September 2013
- ACER's 'Reasoned Opinion' on this Code was published on ENTSOG's website on 22<sup>nd</sup> November
- Further discussion between ENTSOG / ACER / EC is continuing on the (limited number of) points raised
- The EC is drafting an Impact Assessment
- Comitology is expected to conclude by Summer 2014, resulting in a compliance deadline of Q4 2015

# ACER's Requested Changes (1)

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Code Section	ACER Comment	ENTSOG Initial View
Interconnection Agreements	For Articles 6-9 (Flow Control, Measurement, Matching, Allocations), amend "owner" in default rules to " <u>transmission system operator in control of...</u> "	Accept
Interconnection Agreements	Delete Article 11(4) about "conflict of law" principles applying if TSOs cannot agree on a jurisdiction clause for dispute resolution.	Accept
Interconnection Agreements	Amend Article 3(4) from an obligation for TSOs to communicate IAs to NRAs "upon signature" to " <u>within 10 days upon conclusion (of the agreement)</u> "	Accept but keep the word "signature"
Interconnection Agreements	Delete Article 4(4) which signals where the 'default rules' are.	Accept
Interconnection Agreements	Re-draft Articles 5-11 to remove unnecessary subsequent references to "interconnection agreement"	Accept
Interconnection Agreements	Amend the fixed 2 hour window for matching nominations to be " <u>without prejudice to the rule for minimum interruption lead times referred to in [CAM]</u> "	Accept

## ACER's Requested Changes (2)

Code Section	ACER Comment	ENTSOG Initial View
Managing Gas Quality Differences	TSOs should submit proposals to " <u>respective competent national authorities</u> " rather than to NRAs for approval	Reject
Managing Gas Quality Differences	Delete Article 16(6) about TSO cost recovery.	Retain principle but re-draft
Data Exchange	Add to the scope of which network users are captured within scope: "...Counterparties' refers to network users at interconnection points <u>or virtual trading points, at least to those who engage in hub-to-hub transmission</u> "	Re-draft and include revised additional text in recitals
Data Exchange	Permit equivalent data formats in addition to Edig@s-XML by adding the words " <u>...or equivalent format</u> "	Accept
Dispute Resolution	Delete 'overarching' Dispute Resolution Article	Accept
Final Provisions	Delete paragraph 27(2) which provides for TSO cost recovery in respect of the discharge of obligations related to the Code.	Retain principle but re-draft

## Next Steps

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- ENTSOG response to ACER Reasoned Opinion to be sent to ACER and published in mid-December
- Pre-comitology meeting of Member State representatives scheduled for January 2014



# Code Status Update

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	ENTSOG submitted this Code and its 'analysis of decisions' document to ACER on 10th September 2013. ACER's Reasoned Opinion was published on 22nd November 2013. ENTSOG's response will be published in mid-December.	Q4 2015 (Estimated)
Tariffs	Final FGs extended until Q4 2013 to allow more consideration of Cost Allocation methodology. ACER consultation on Cost Allocation methodology section of Tariff FG and Tariffs for Incremental Capacity closed 17th September. Publication of FG expected by 30th November.	Estimated earliest mid January 2017
Incremental Capacity	ACER consultation closed 17th September. Incremental Capacity expected to be introduced via combination of new articles in CAM Network Code and via Tariffs Network Code.	TBC



## Future EU Updates

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- Monthly updates, along with any key topics as they arise
  
- **Reminder** - regarding CMP  
Surrender offers for the February 2014 AMSEC auction will be invited on the 18<sup>th</sup> December 2013