



Request from Oil & Gas UK and Gas Forum for an amendment to the NC CAM and NC BAL

EDF Group response

February 9, 2015

The EDF Group would like to thank ACER for its consultation on the UK Gas upstream industry proposal to retain the UK gas day for the UK and the Republic of Ireland through an amendment of the Network Codes on Capacity Allocation Mechanisms (NC CAM) and Balancing (NC BAL).

We welcome ACER's transparent process to collect and assess EU stakeholders' views before evaluating whether the amendment request merits further consideration. EDF Group observes that the current amendment request is dealt with in accordance with ACER's Guidance on the Evaluation Procedure for Network Amendment Proposals.

We believe that this procedure both (i) enables stakeholders to make requests especially when changes in market circumstances occur or when unforeseen effects appear and (ii) involves market participants that can provide their views on the proposals.

More specifically, EDF Group would like to provide the following comments regarding the amendment proposal submitted by the UK Gas upstream industry:

- i. As an active market participant, EDF Group has been much involved in the drafting process of both Network Codes on Capacity Allocation Mechanisms (CAM NC) and Balancing (BAL NC). In that respect, EDF Group believes that the issue of Gas day has been sufficiently discussed and dealt with during the process of the CAM Network Code. Moreover, the EDF Group recalls that the common definition of the gas day (article 3-7 CAM) is consistent with the European target of the internal gas market.
- ii. As regards the amendment itself, we believe that this is mainly a domestic UK issue between the upstream producers and shippers and the downstream industry. The EDF Group has companies operating in the UK as downstream shippers that will need certainty on whether the change to the UK gas day will go ahead or not as they are already making changes to their IT systems. At the same time, if the move to a 5-5 gas day was to be confirmed, these shippers would be facing risks on balancing performance as a result of upstream production remaining on a 6-6 gas day. There is not one simple solution but clarity needs to be provided very soon for stakeholders to have the best visibility on the chosen regulatory arrangement and minimize any further costs that uncertainty would create.