

Public Consultation on the Oil & Gas UK proposal to amend the Gas Network Codes CAM and BAL in order to retain the UK Gas Day (PC_2015_G_01)
www.acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2015_G_01.aspx

EFET response

1. Respondant's name & contact details, name & type of organisation or stakeholder

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European Federation of Energy Traders – industry association

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2. Please provide a short description of your motivation, interest & role in this amendment proposal

European Federation of Energy Traders (EFET) represents more than 100 energy trading companies from 27 European countries dedicated to stimulate and promote energy trading throughout Europe. EFET promotes and facilitates European energy trading in open, transparent, sustainable and liquid wholesale markets, unhindered by national borders or other undue obstacles.

EFET and its members have engaged actively in the design of EU Framework Guidelines and Network Codes under EU Regulation 715/2009. Our motivation is to maintain and enhance effective traded markets in gas through design and application of appropriate rules. Our interest relates not only to the specific content and grounds for this amendment proposal, but also to broader governance processes surrounding the basis for promoting changes to network access and energy market conditions.

3. Do you support, oppose, or have a neutral position towards the proposed amendment being further considered by ACER? Please specify the main reasons why you think ACER should or should not pursue this amendment request.

EFET has a neutral position towards further consideration of the proposed amendment.

As a general principle, EFET supports the convergence of EU network access conditions, with the objective of achieving a single internal market for gas. The reduction and removal of unnecessary barriers to cross-border trading are essential to increase market efficiency, and require the participation of all member states. The ability of individual TSOs or member states to seek a derogation or amendment to Network Codes to allow them to opt out should only be available in the most exceptional circumstances.

Nevertheless, EFET also stresses the importance of having well-developed governance procedures for the proposal and consideration of amendments to Network Codes. Members have indicated that the implications of the interaction between CAM and BAL Network Codes were not fully debated during their development. In other areas, EFET has raised concerns that Network Codes appear to be pushed through without satisfactory discussion or resolution of raised issues. Future codes may have unintended impacts due to changing market conditions, or unforeseen interactions with other initiatives. EFET strongly encourages ACER to develop a modification process whereby parties may have a clearly defined procedure to raise amendment proposals and have them properly evaluated. In this way, the rules may be allowed to evolve as markets develop.

Significant rules changes are more than theoretical market design: they can have expensive implications for market participants in terms of investment or other commercial decisions, which ACER and National Regulatory Authorities must be sensitive to. For this reason, some recognition of costs and benefits (or at least an expression of assumptions where detailed analysis is not possible) must be integral to the decision-making process. Adequate time and consideration should be given to the proposals themselves, and to transitional arrangements and introduction periods, where parties are significantly impacted.