

OPINION No 09/2019
OF THE AGENCY FOR THE COOPERATION OF
ENERGY REGULATORS

of 30 January 2019

ON THE ADOPTION OF ENTSOG'S COMMON NETWORK OPERATION TOOLS

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

Having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators¹, and, in particular, Article 6(3)(b) thereof,

Having regard to Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005², and, in particular, Article 9(2) thereof,

Having regard to the favourable opinion of the Board of Regulators of 23 January 2019, delivered pursuant to Article 15(1) of Regulation (EC) No 713/2009,

Whereas:

1. INTRODUCTION

- (1) The European Network of Transmission System Operators for Gas (“ENTSOG”) developed and adopted a Common Network Operation Tool (“CNOT”) to ensure coordination of network operation in emergency conditions, including a common Incidents Classification Scale (“ICS”), pursuant to Article 8(3)(a) of Regulation (EC) No 715/2009.
- (2) Pursuant to Article 6(3)(b) of Regulation (EC) No 713/2009, the Agency shall provide an Opinion³ to ENTSOG on, *inter alia*, relevant documents referred to in Article 8(3) of

¹ OJ L211, 14.8.2009, p. 1.

² OJ L211, 14.8.2009, p. 36.

³ This Opinion is prepared in line with the Agency’s Revised Programming Document 2018-2020, which assigns resources to various tasks depending on its classification in terms of priority as “critical”, “important” or “relevant”. This Opinion is considered as “relevant” and is accordingly developed by using a simplified format.

Regulation (EC) No 715/2009, as submitted to the Agency pursuant to Article 9(2), first subparagraph, of Regulation (EC) No 715/2009.

- (3) On 31 October 2018, ENTSOG submitted two documents⁴ describing the general principles guiding the proceedings of the Regional Coordination System for Gas (“ReCo System”) and the content of the ICS, as the CNOT aimed to ensure coordination of network operation in emergency conditions.

2. SUMMARY OF THE DOCUMENTS

- (4) ENTSOG has developed these CNOT documents in order to fulfil two legal obligations:
- a. Pursuant to Article 8(3)(a) of Regulation (EC) No 715/2009, the adoption of CNOTs to ensure coordination of network operation; and
 - b. Pursuant to Regulation (EU) No 2017/1938 (“the Security of Gas Supply Regulation”), the establishment and development of cooperation and information exchange arrangements among TSOs under the ReCo System for gas, which should support TSO cooperation in case of a regional or Union-wide emergency crisis.
- (5) ENTSOG maintains that the main objectives of the CNOT documents are to prevent or mitigate the negative impact of a gas disruption in regions affected by an emergency, and to improve the preparedness for possible gas crises or emergencies.
- (6) The document on the ReCo System describes:
- a. The establishment of three ReCo Teams (East, North-West, South) across Europe⁵, covering the communication between them and the possibility to participate in more than one ReCo Team;
 - b. The functioning of the ReCo Teams and the usage of the common ICS;
 - c. The designations, roles and responsibilities of the different actors under the ReCo Teams⁶, as well as the protocols and tools foreseen to enable coordination via the so-called communication steps;

⁴ Named in ENTSOG’s submission as ReCo as CNOT for emergency conditions (INT1328-18, 28 June 2018) and Incidents Classification Scale as Annex I to the ReCo as CNOT for emergency conditions (INT1315-18, 28 June 2018).

⁵ The ReCo Teams are largely based on the Gas Supply Risk Groups defined in Annex I to the Security of Gas Supply Regulation.

⁶ For example the role of the Facilitator and Coordinator TSOs.

- d. The specific role and responsibilities of ENTSOG, mainly related to the organisation of internal meetings, the promotion of cooperation and the facilitation of information exchanges among actors; and
 - e. The communication of ReCo Teams with the European Commission and the information exchanges between the Gas Coordination Group and the ReCo Teams via ENTSOG.
- (7) ENTSOG presents the ReCo System for gas and the annexed ICS as a CNOT for emergency conditions. ENTSOG describes procedures for using it, focusing on the cooperation and exchange of information between TSOs in case of an incident with regional impact, as well as the lessons learnt from its use in past emergency events. ENTSOG stresses that the ICS is without prejudices to further obligations of TSOs mentioned in any other Network Code (“NC”), national rules or other obligations under European regulations, including but not limited to REMIT and the Security of Gas Supply Regulation, or any other obligations provided by national rules.
- (8) The ICS document introduces a five-degree scale (from 1 to 5), listing criteria corresponding to events of growing severity, the thresholds for action and the actions that each TSO should take in case of an incident:
- a. Level 1, for local incidents with no regional impact;
 - b. Level 2, for potential risks and warnings;
 - c. Level 3, for incidents with significant effects;
 - d. Level 4, for incidents reflecting or leading to the emergency crisis level; and
 - e. Level 5, for incidents where the application of solidarity measures is requested.

3. ASSESSMENT OF THE DOCUMENTS

- (9) The Agency welcomes ENTSOG’s adoption of the CNOT documents and recommends their use by the TSOs in order to enhance the coordination of network operation and the exchange of information under emergency conditions.
- (10) The Agency acknowledges the contribution of the CNOT documents in setting general guiding principles and work procedures for TSO cooperation under the ReCo System for gas, and finds the common ICS definitions and descriptions of possible events or situations with significant impact, as well as the actions that TSOs shall take under each of the referred events or situations, reasonable.
- (11) The Agency notes that ENTSOG has intended to develop this CNOT to ensure coordination of network operation in emergency conditions and a common ICS, and that ENTSOG has considered that the obligations stemming from the Security of Gas Supply

Regulation⁷ are to be considered as the CNOT, and as such are adopted by ENTSOG. The Agency takes notes that the CNOT documents primarily describe the development of cooperation and information exchange arrangements of the TSOs under the ReCo System for gas established by ENTSOG pursuant to the Security of Gas Supply Regulation. The Agency, noting that sufficient time has passed since the obligation to develop CNOTs was introduced by Regulation (EC) No 715/2009 and that the CNOT for emergency conditions should go beyond the Security of Gas Supply Regulation obligations, expected ENTSOG to be more ambitious by going beyond describing the principles and procedures of regional cooperation of the TSOs under emergency conditions⁸.

- (12) The CNOT documents should further elaborate upon technical aspects and systems related to the operation of networks including, but not limited to, standards for data exchanges and common technological platforms for the exchange of real-time information about current and expected gas flows (volumes, pressures, metering). The Agency considers that, if a common technological platform⁹ were adopted and used by all TSOs, the exchanges of gas flow information for all European TSOs would be facilitated. Better information for all TSOs would contribute to a more efficient and secure management of the system by allowing faster and more efficient preventive and remedial actions of TSOs to critical situations.
- (13) In this respect, the Agency draws ENTSOG's attention to the already implemented European Awareness System ("EAS") developed and adopted by ENTSO-E as a CNOT for electricity¹⁰. EAS ensures real-time exchange of relevant information on nine essential parameters about the operation of each TSO to all TSOs, which allows them to react promptly in the case of unusual system conditions. The Agency encourages

⁷ See recital 13 of Regulation (EU) 2017/1938 "*As a means of strengthening regional cooperation by providing information about gas flows as well as providing technical and operational expertise, the Regional Coordination System for Gas (ReCo System for Gas), established by ENTSOG and composed of standing expert groups, should be involved in carrying out simulations. ENTSOG should ensure an appropriate level of transparency and access to the modelling assumptions used in its scenarios*", and Article 3(6) "*In the event of a regional or Union emergency, the transmission system operators shall cooperate and exchange information using the ReCo System for Gas established by ENTSOG. ENTSOG shall inform the Commission and the competent authorities of the Member States concerned accordingly*".

⁸ ENTSOG's CNOTs focus on the set-up of coordination meetings in case of a possible crisis, and the role of each of actors involved in such situations.

⁹ With compatible standards for data formats and communication protocols.

¹⁰ See ENTSO-E demonstration of the European Awareness System.

https://docstore.entsoe.eu/Documents/Events/2014/141202_TSO_Cooperation_and_Security_of_Supply_Demonstration_of_EAS_Carlo_Sabelli.pdf

Download the article on Awareness System Implemented in the European Network, Journal of Electrical Engineering 65(5):320-324, September 2014.

https://www.researchgate.net/publication/279011746_Awareness_System_Implemented_in_the_European_Network

ENTSOG to study carefully ENTSO-E's experience and to consider working on a similar system adapted to the needs of the gas system.

- (14) The Agency stresses that Article 8(3)(b) of Regulation (EC) No 715/2009 requires ENTSOG to develop CNOTs for normal conditions and research plans, which are neither described nor developed in the current submission. The Agency understands that CNOT for normal conditions fall under Article 24(1) of the NC on Interoperability and Data exchange rules¹¹. The Agency recalls that ENTSOG developed a proposal and that the Agency issued an Opinion¹² on it. For transparency and reference, the Agency considers that the current ENTSOG documents on the CNOT for emergency conditions should contain a reference to previous CNOTs documents for normal conditions.
- (15) The Agency welcomes ENTSOG's common ICS and stresses the importance, as it seems to be the case in the submission, that each of the emergency situations is unambiguously and uniquely described with clear cut-off and exclusive criteria in order to assure consistency across Europe on the treatment of events, i.e. that similar incidents will be considered and treated consistently by all European TSOs.
- (16) The Agency recommends that ENTSOG monitor the use of this CNOT along with the evolution of technical processes and needs, review them periodically and, if needed, revise them. The first review could take place preferably after 2 years of adoption of the CNOT in emergency conditions.
- (17) The Agency expects ENTSOG to inform the Agency and the concerned NRAs in case of regional or Union-wide events of emergency, so that the Agency and the concerned NRAs can effectively monitor the execution of ENTSOG's tasks referred to in Article 8(3) of Regulation (EC) No 715/2009, as required by Article 9 of the same Regulation.
- (18) The Agency considers that a process flowchart could help illustrate the roles and responsibilities under this CNOT and recommends that ENTSOG consider developing it,

HAS ADOPTED THIS OPINION:

1. The Agency is of the view that the adopted ENTSOG's Common Network Operation Tool for emergency conditions and the common Incidents Classification Scale generally meet the objectives of Regulation (EC) No 713/2009 and Regulation (EC) No 715/2009

¹¹ Commission Regulation (EU) 2015/703 of 30 April 2015 provides that, for each data exchange requirement under Article 20(2) of the same Regulation, ENTSOG shall develop a common network operation tool in accordance with Article 8(3)(a) of Regulation (EC) No 715/2009 and shall publish it on its website, covering data exchange solutions for Congestion Management Procedures, Capacity Allocation, Gas Balancing, Interoperability as well data collection under the Regulation (EU) No 1227/2011.

¹² See the Agency's Opinion No 4/2017 on the Adoption of Common Network Operation Tools by ENTSOG.

- in terms of contributing to non-discrimination, effective competition, but could better contribute to the efficient and secure functioning of the internal natural gas market.
2. The Agency, while noting that ENTSOG's approach of considering obligations from the Security of Gas Supply Regulation as the CNOT for emergency conditions is pragmatic, considers that this CNOT should go beyond the Security of Gas Supply Regulation obligations and consider all relevant modalities of operations. The Agency calls on ENTSOG to undertake further work to promote coordination of network operation, as outlined in recitals (10), (11) and (12) of this Opinion.
 3. The Agency expects ENTSOG carefully to consider this Opinion to update and improve this CNOT for gas, in particular by looking at the developments of CNOTs in the electricity sector.
 4. ENTSOG should consider publishing a revised version of the CNOT documents for the sake of transparency.

This Opinion is addressed to ENTSOG.

Done at Ljubljana on 30 January 2019.


For the Agency
Director ad interim
Alberto POTOTSCHNIG