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**EUROGAS RESPONSE TO THE DRAFT FRAMEWORK GUIDELINES
ON INTEROPERABILITY AND DATA EXCHANGE RULES FOR EUROPEAN GAS
TRANSMISSION NETWORKS**

General Comments:

Although this is a first draft of the Framework Guideline Eurogas finds the provisions included reflect too high level an approach as to encourage the necessary level of harmonization for the issues included in this Framework Guideline. Eurogas considers that, although not every subject requires strict harmonization across Europe, there needs to be a clear steering with regards to a future network code to further facilitate market integration. The issue has to be seen in the context of a fast-developing market. What may work sufficiently today will be slow, and ultimately unreliable in the fast-moving integration of the future. Efficient I.T. systems will be essential, the development of which to ensure maximum benefits, should be accompanied by European harmonized interoperability rules.

Scope and application, implementation (Chapter 1 of the Framework Guidelines (the 'FG'))

1.1. Do you consider that the FG on interoperability and data exchange rules should harmonise these rules at EU level, as follows:

- a) At interconnection points only?*
- b) Including interconnection points and where appropriate points connecting TSOs' systems to the ones of DSOs, SSOs and LSOs (to the extent cross-border trade is involved or market integration is at stake)?*
- c) Other option? Please explain in detail and reason.*
- d) I don't know.*

b. In the view of Eurogas SSOs and LSOs should be included in the scope of the Code to ensure that there are the same rules applicable at every connection point into/out of the transport system. **However, the wording of this question notwithstanding, Eurogas now understands there are legal issues about extending the scope. Therefore it is all the more important that a firm policy is developed on IAs, to use these as a vehicle for extending harmonized practices.** Connection points with storages and LNG terminals are part of the system and the application of different rules with reference, for instance, to units, data exchange and gas quality, seems an avoidable complication.

1.2. Do you consider that for any of the above options the level of harmonisation¹ shall be (Section 1.b of the FG):

- a. Full harmonisation: the same measure applies across the EU borders, defined in the network code?*
- b. Harmonisation with built-in contingency: same principles/criteria are set with a possibility to deviate under justified circumstances?*
- c. No additional harmonisation, meaning rules are set at national level, if they deemed necessary by the national authorities, which may include either NRAs or the government?*

a. Full harmonization should be the goal to the extent that cross-border trade is involved or harmonization is necessary in order to make progress towards market integration. If harmonization is not justified, common principles can be determined in line with which

technical details may be developed by the operators. Eurogas is concerned at the implications of c., and would be very concerned if this approach were followed.

1.3. *Shall any of the issues raised in the FG (Interconnection Agreement, Harmonisation of units, Gas Quality, Odourisation, Data exchange, Capacity calculation) get a different scope from the general scope as proposed in section 1.b. of the FG (and as addressed in the previous question)? Please answer by filling in the following table, ticking the box corresponding to the relevant foreseen scope.*

	<i>IAs</i>	<i>Units</i>	<i>Gas</i>	<i>Odourisation</i>	<i>Data</i>	<i>Capacity</i>
<i>Full</i>	x	x	x	x	x	x
<i>Partial</i>						
<i>Business as usual</i>						

Full harmonization should in principle be the goal for these issues, although as mentioned below, there may be room with regard to IAs and capacity calculation, for fully harmonizing some elements and partially harmonizing others.

2. Interconnection Agreements

2.1. *Do you think that a common template and a standard Interconnection Agreement will efficiently solve the interoperability problems regarding Interconnection Agreements and/or improve their development and implementation?*

- a. Yes.
- b. No.
- c. I don't know.
- d. *Would you propose additional measures as to those proposed? Please reason your answer.*
- e. *Would you propose different measures as to those proposed? Please reason your answer.*

a. A common template outlining a framework for IAs will contribute to solving interoperability problems, ensuring a certain degree of consistency among IAs signed by different TSOs. As the TSO systems are very different across Europe it would not be feasible to draft a detailed IA that could sensibly apply to all of them.

There should be a required timescale in which TSOs should confirm they have formal Agreements. If they are not forthcoming, then Eurogas supports the idea of a default standard agreement and the proposed 12 months period.

Eurogas endorses the list of points to be addressed in the common templates and standard IA, but considers that further discussion is needed on the minimum contents of the template, and additional points can be added, for example metering and meter reading should be covered, determining minimum requirements on how interconnected operators should define responsibilities for metering gas quantities and qualities. For instance, a provision that could simplify network users' activity is the selection within the IA, for each IP, of a single point of metering enabled to provide data valid under the commercial point of view for allocation purposes. Currently this arrangement is not applied on all European IPs and the fact of having two different metering points at an interconnection could generate mismatches in data that shall be managed by TSOs without having the possibility to certify which of the two metering is more accurate.

On all issues, the FG should give firm guidance on the contents of the template.

If it is legally impossible to include SSOs and LSOs within the scope of the Code, the IAs have to be used as a means to enforce harmonization.

2.2. *Do you think that a dispute settlement procedure as laid down in the text will efficiently contribute to solving the interoperability problems of network users regarding Interconnection Agreements and their content?*

- a. Yes.
- b. No.
- c. *I don't know.*
- d. *Would you propose additional measures as to those proposed? Please reason your answer.*
- e. *Would you propose different measures as to those proposed? Please reason your answer.*

a. However, the dispute procedure has to be timely and efficient if it is to be helpful to users and therefore they should be consulted on its design. Efficient Interconnection Agreements should minimize disputes.

2.3. *Do you think that a stronger NRA involvement in the approval of the Interconnection Agreements could be beneficial? Please explain in detail and reason.*

- a. Yes.
- b. No.
- c. *I don't know*

a. The involvement of cross-border NRAs may be necessary if the TSOs have difficulty in reaching agreement, but not as a routine practice. However, NRAs and ACER should be informed of the contents of IAs to check them against the template. If they are not in line with the template they should not be agreed. NRAs and ACER should also monitor implementation.

3. Harmonisation of Units

3.1. *Do you think that there is a need for harmonisation of units?*

- a. Yes.
- b. *No, conversion is sufficient in all cases.*
- c. *I don't know.*
- d. *Would you propose additional measures as to those proposed? Please reason your answer.*
- e. *Would you propose different measures as to those proposed? Please reason your answer.*

a. To ease the communication between shippers and TSOs and among TSOs and to prevent misunderstanding or misinterpretations of messages full harmonization of units used is needed in the EU. Misunderstandings and misinterpretations lead to lost time and money.

3.2. *What is the value added of harmonising units for energy, pressure, volume and gross calorific value?*

- a. *Easier technical communication among TSOs.*
- b. *Easier commercial communication between TSOs and network users.*
- c. *Both.*
- d. *No value added.*

- e. *I don't know.*
- f. *Other views. Please reason your answer.*

c. As mentioned it will facilitate technical and commercial communications. For this reason, the use of harmonised units should not be limited to communication among TSOs, but possibly extended to communication between all infrastructure operators and network users.

4. Gas Quality

4.1. Please provide your assessment on the present proposal; in particular assess the provisions on ENTSOG gas quality monitoring, dispute settlement and TSO cooperation. Would these measures address sufficiently the issues that are at stake? Please reason your answer.

As there are different Gas specifications in each Member State it is necessary to harmonize them across Europe to ease the flow of gas across borders.

Therefore the Code should reference the future CEN Standard, making it binding. The Code should also include provisions relating to criteria and procedures if network access is refused on grounds that the gas is non-spec.

Flow commitments could be a solution to handle gas quality but shippers who supply these services must be paid for them and the agreements between TSOs and shippers must be transparent.

In the meantime, the Framework Guidelines should require TSOs and other infrastructure operators to commit to handle gas quality differences technically in order to reduce all possible barriers to spot trade. Eurogas acknowledges that the application of a single solution (for instance, the investment in correction/conversion services for out-of-spec gas) on all interconnection points could not represent the most cost-efficient approach.

Nevertheless, the Framework Guidelines could contribute by at least:

- setting the criteria to identify key points on European gas networks for which the solution of gas quality issues is required not to hinder gas circulation and market integration,
- requesting TSOs and infrastructure operators managing those points to commit to handle gas quality issues in due time.

4.2. Do you consider that a technically viable solution to gas quality issues that is financially reasonable will most likely result from:

- a. *Bilateral solution between concerned stakeholders.*
- b. *Solutions to be developed cross-border by TSOs, to be approved by NRAs and cost-sharing mechanism to be established.*
- c. *The establishment of a general measure in the Framework Guidelines, setting a comprehensive list of technical solutions to select from.*
- d. *I don't know.*
- e. *Other option. Please reason your answer.*

It will depend on the situation whether **a.** or **b.** are cost-effective ways forward. Eurogas can also see the sense of **c.**, whereby the approach of Framework Guidelines introduces a certain degree of harmonisation, by setting at least general principles and goals and suggesting compatible technical solutions. These contents could represent a

transparent and common reference point to implement, under the supervision of NRAs and on a case by case basis, the most efficient local solution.

5. Odourisation

5.1. Please provide your assessment on the present proposal. Would the measure proposed address sufficiently the issues that are at stake? Please reason your answer.

Gas flowing through TSO systems should not be odorized. Shippers have already indicated that such a provision would help in the national discussions in the respective Member State. Additionally, such a provision would not have any negative implications for Member State without odorization.

6. Data exchange

6.1. Please provide your assessment on the present proposal. Would the measures proposed address sufficiently the issues that are at stake? Please reason your answer.

6.2. Regarding the content of this chapter,

- a. Data exchange shall be limited to the communication format.*
- b. Data exchange shall define both format and content, at least regarding the following points: _____ . Please reason your answer.*
- c. I don't know.*
- d. Other option. Please reason your answer.*

b. One format for communication is essential as it will reduce costs for all participants and would prevent misunderstandings and mistakes. The content of the communication cannot be determined in detail by the Code since it is driven by the underlying business process which might change frequently. Nevertheless, minimum contents of communications between TSOs and users could be defined also in relation to information flows imposed by other Codes.

Also the data exchange should define content, regarding near real time allocation of flow, planned and unplanned events (change of gas quality, constraints).

The data exchange format must be used also by SSOs and LNG terminal operators, as they are part of the gas market and should be included within the scope of the FG.

6.3. ENTSOG may support the exchange of data with a handbook of voluntary rules. Please share your views about such a solution.

This is an option for consideration, but should not be a soft option, and if followed should complement binding rules within the Code. Our concern on the implementation of a voluntary approach is related to the risk of ending up with different protocols in various systems.

7. Capacity calculation – The Agency view is that discrepancy between the maximum capacities on either side of an interconnection point, as well as any unused potential to maximise capacity offered may cause barriers to trade.

7.1. Please provide your assessment on the present proposal. Would the measures proposed address the issues that are at stake?

From a shippers point of view it is important to be able to trust that TSOs provide a maximum of capacity to the market on both sides of an IP. The underlying calculation

formula is not important to a shipper and it would probably not be wise to implement just one formula across Europe as systems are too different but nonetheless the Code could specify some essential parameters to be used. Methodologies have to be compatible on both sides of an IP and transparent. The current draft relies on voluntary cooperation among TSOs to reduce discrepancies and in our opinion this could prove insufficient.

Also, there should be the same transparency requirements for interruptible and additional capacity. It is especially important for network users to understand how and when interruptible capacity could be interrupted and if processes are aligned each side of a border.

7.2. Would you propose additional measures as to those proposed? Please reason your answer.

Open Seasons for capacity increase should be co-ordinated between the TSOs involved.

7.3. Would you propose different measures as to those proposed? Please reason your answer.

8. Cross-border cooperation

8.1. Please provide your assessment on the present proposal.

Subject to tightening up on some aspects, the Framework Guideline proposed is a basis for progress.

8.2. Do you have any other suggestions concerning cross-border cooperation? Please reason your answer.

See 7.2.

9. Please share below any further comments concerning the Framework Guideline on Interoperability and Data Exchange Rules.

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