

**GDF SUEZ answers to ACER consultation
paper on «PC-07- draft framework
guidelines on interoperability rules and
data exchange for the European gas
transmission networks»**

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**PC-07- PUBLIC CONSULTATION ON DRAFT FRAMEWORK GUIDELINES ON INTEROPERABILITY RULES
AND DATA EXCHANGE FOR THE EUROPEAN GAS TRANSMISSION NETWORKS QUESTIONNAIRE**

1. 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.

a: The opinion of GDF SUEZ is that the goal of the future framework guidelines should be ambitious and should aim to harmonise interoperability and data exchange rules at EU level, at all interconnection points on transmission network (i.e. IPs between TSOs only). In such a way all actors connected on transmission networks (DSO, SSO, LSO) should adopt TSO's format.

1.2. Do you consider that for any of the above options the level of harmonisation 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. Regarding the harmonisation level at IPs between TSOs, we consider indeed that the same measures should apply across the EU borders (possibly with some interim steps, in order to take into account specific technical issues and to ease implementation at national scale).

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.

| | IAs | Units | Gas Quality | Odourisation | Data exchange | Capacity calculation |
|-----------------------|-----|-------|-------------|--------------|---------------|----------------------|
| Full harmonization | x | x | | | x | |
| Partial harmonization | | | x | x | | x |
| Business as usual | | | | | | |

Concerning gas quality, it is important to note that the harmonisation process is already underway through the CEN mandate which considers a regional approach. It is thus not fully clear what aspect of harmonisation of gas quality is addressed by this question.

1.4.1 What additional measures could you envisage to improve the implementation of the network code? Please reason your answer.

It could seem useful to harmonise also information publication related to works on transmission networks to foster a better and timely data provision to network users.

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.

e: concerning interconnection agreements, we think that a common template which could indicate a minimum list of compulsory topics to deal with in every cross-border transmission agreement is an important item to promote. On the contrary, from experience, it seems to us not possible, useless and inefficient to issue one binding standard interconnection agreement. Some flexibility on specific issues has to be left to TSOs when they negotiate their contract together.

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.

e: a dispute settlement procedure is naturally planned within TSO's cross border agreements. This procedure is related to the national legal system agreed, therefore it is useless to lay down a unique and uniform procedure across Europe. Should some difficulties happen to shippers, they can always call on the national regulatory authority in charge of energy issues.

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.

b: a stronger involvement of the NRA in the approval of the IAs does not appear necessary.

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: harmonisation of units at IPs across the EU would be beneficial.

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: the harmonisation of units for energy, pressure, volume and gross calorific value creates an added value for both TSOs and network users.

3.3. Shall harmonisation be extended to other units? Please reason your answer.

Currently, the lack of harmonisation of units is not the biggest barrier to cross-border trades as conversion from one unit to another is easy to perform. Nevertheless, we are in favour of a full harmonisation of units especially the ones used for capacity bookings and nominations across Europe as we think this is something which is not very difficult to achieve and that it will favour commercial communication between TSOs 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.

Shippers should only be responsible for gas quality at Entry point in the European Union and then should not be liable for any third party damage caused as a result of off-spec gas. Indeed, TSO should be responsible for the quality of the gas that is shipped on the grid, especially for cross border flows and for exit points towards end-customers.

We agree with the will to find a way to improve the harmonisation of gas quality within the EU as proposed by DG ENER in its non-paper on a "gas quality roadmap" and as it emerged from the conclusions of the last meeting of the Madrid forum. For gas quality specifications and possible discrepancies at interconnection points, the research of a solution must be shared between NRAs and TSOs, with due involvement of concerned parties as necessary. The nature and the scale of the problem will require an in-depth assessment per IP and will need to be supported by a cost-benefit analysis to determine the possible solutions to be applied. Depending on the way to solve the identified problem, TSOs (or, if this is not in their competencies, other stakeholders like Public authorities and entities in charge of questions of standardization) will be able to be called to propose the best solution and to implement it. In this case, an appropriate allocation of costs and a financial recovery mechanism will have to be set up for TSOs .

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.

a and b: In order to find "a technically viable and financially reasonable solution" to gas quality issues, we think that this solution will likely come from concrete actions studied and developed cross border by TSOs, once approved by concerned NRAs, with the setting up of a right cost sharing mechanism where shippers should be consulted in a transparent manner. NRAs, with the collaboration of TSOs, determine the required solution, allowing then TSOs to cooperate between them in order to implement the best possible solutions. Furthermore, if no agreement on cost repartition is found amongst the national regulators of the Member States involved, then ACER should arbitrate.

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

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.

Odourisation is a major issue refraining cross-border trade. It is therefore very important that odourisation shall not prevent any cross-border flows. TSOs should implement non-odourised gas on transport infrastructure except if TSOs may find an agreement on this issue.

However, as for gas quality, specifications odourisation practices reflect the different national situations. It is also a critical issue as part of the national safety strategy. Desodourisation on transmission grids – when it will be the selected option - must not have any impact on security issues. In no case, the safety level could become impaired and less efficient as a result of these changes of odourisation system.

Besides, one should remember that due to the physical specificities of systems which have operated under odourised gas conditions for several decades, the shift towards physical non-odourised gas may take an extended period of adaptation and may generate elevated costs. A sensible approach to reach the goal is therefore necessary. In any case, concerning investments that could be required, NRA will have to go along with a system of appropriate cost allocation on both sides of an interconnection point as well as with a mechanism to financially recover all the identified costs. A minimum interim period of 36 months seems acceptable to implement this measure. This period of time might need to be adapted as need be.

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: data exchange shall define both format and content. Besides the format necessary to communicate, the harmonisation should include at least some items like the kind of network, the protocol of sending and of encoding data.

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

The current situation is that a lot of different systems for data exchanges are co-existing across Europe, with huge differences in term of formats, contents and security process. This is why GDF SUEZ is in favour of a full harmonisation process for data exchange with a standardised messaging protocol : the format of this protocol must be harmonised, but the content should be more flexible and adapted to the context.

The EDIGAS protocol, currently used by many TSOs (GRT Gaz, Fluxys, GTS, OGE, Gas Connect...), SSOs and shippers in Europe could be used as this standard protocol.

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?

The implementation of the (modified) annex 1 to regulation (EC) n° 715/2009 and Decision 2010/685/EU on conditions for access to the natural gas transmission networks already give a detailed and comprehensive description of the methodology and process, including information on the parameters employed and the key assumptions, used to calculate the technical capacity by the TSOs. Measure 7 a) could be complemented by including the same transparency requirements for interruptible and additional capacity. It is indeed especially important for network users to understand how and when interruptible capacity could be interrupted, and if interruption process are aligned on both side of a border. In case of discrepancies between the upstream and the downstream of a transmission interconnection point, different tools can be used :

- oversubscription
- interruptible capacity
- investments should be made after a cost-benefit analysis and in relation with NRAs to set up the appropriate financial recovery mechanism

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

No, we wouldn't.

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

No, we wouldn't.

8. Cross-border cooperation

8.1. Please provide your assessment on the present proposal.

We do think that the framework guidelines to come as well as the subsequent network code on rules concerning interoperability and data exchange will obviously contribute to enhance cross-border cooperation between TSOs and to ease gas exchanges for shippers.

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

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

Any progress on better interoperability is welcomed, whether by bringing simplifications (harmonisation of units for instance) or by tackling major hurdles to cross-border trade such as odourisation.

Harmonisation of nomination and renomination seems to have disappeared from the FG on interoperability surely because it will be tackled in the balancing network code. This split is however regrettable.