

Corrigendum

to

ACER REPORT ON ENABLING SHORT-TERM GAS MARKETS AFTER INTERIM BALANCING MEASURES 2020

Document history

Version	Comment	Date
1	Original version	8 April 2020
1.1	<p>Corrigendum. Revise version of the report is available at (Volume I: main report) https://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20Report%20on%20enabling%20short-term%20gas%20markets%20after%20interim%20balancing%20measures.pdf (Volume II: country assessment sheets) https://acer.europa.eu/Official_documents/Publications/BAL_IMR%202020_Country%20Assessment%20and%20Methodological/BAL_IMR_2020_vol-II.pdf</p> <p>The corrigendum rectifies the information contained in Volume I Executive summary, sections 3, 3.1, 3.4 and Annex 1), and Volume II (Country assessment sheet Romania).</p> <p>The corrigendum fixes information misreported by the Romanian NRA (ANRE) regarding the implementation of information provisions.</p> <p>The detailed change is set out below.</p>	27 November 2020

Changes from Original to Corrigendum version (November 2020)¹

The changes (indicated in *italics* or ~~strikethrough~~) introduced with respect to version 1 are presented below following the heading of the originally published documents (version 1). When the changes apply to text in the main body of the report, a two-column table shows the original (left) and amended (right) wording. When the changes apply to tables, the Corrigendum shows the specific table contents as they appeared in the original version 1 and as they are modified

¹ The original and amended texts reported in this Corrigendum omit all footnotes, as their content had not changed. The reader interested in footnotes is invited to consult them directly in the updated Report.

in the updated publication.

Volume I

Executive summary

On page 5, paragraphs a. and b. are amended as follows:

Version 1	Corrigendum 1.1
Germany, Ireland, Lithuania, Poland, Romania, and Sweden show high implementation; from January 2020, also the newly merged zone Estonia-Latvia shows potential for high implementation.	Germany, Ireland, Lithuania, Poland, Romania , and Sweden show high implementation; from January 2020, also the newly merged zone Estonia-Latvia shows potential for high implementation.
b. Bulgaria, Finland, Greece, Portugal, and Slovakia show partial implementation;	b. Bulgaria, Finland, Greece, Portugal, <i>Romania</i> , and Slovakia show partial implementation;

3 Assessment of balancing zones

3.1 Interim measures balancing zones

On page 11, a part of paragraph (29) is amended as follows:

Version 1	Corrigendum 1.1
In some of these cases residual interim measures do not hinder high Code implementation (e.g. Ireland and Romania)	In some of these cases residual interim measures do not hinder high Code implementation (e.g. Ireland and Romania)

3.1.1 Interim measures terminated, high Code compliance

3.1.1.4 Romania

On pages 14-15, paragraphs (43-48) are deleted:

Version 1	Corrigendum 1.1
<p>The Romanian balancing system should be assessed in light of the comprehensive multilateral regulatory process started by the European Commission in 2017, involving the Agency, ENTSOG, and the Romanian TSO and NRA with the objective to design a compliant entry-exit gas system and close the implementation gap relating to several network codes, including the Balancing Network Code. In this framework, balancing rules were developed side-by-side with other technical regulations.</p> <p>Following the country visits, the Central and South Eastern Europe Energy Connectivity ('CESEC') initiative set 16 April 2019 as the realistic deadline for the Code implementation in Romania. In the meantime, a joint working group including the European Commission ('EC'), the Agency, ENTSOG, the Romanian NRA (ANRE) and TSO (TRANSGAZ) worked on a Concept</p>	<p>The Romanian balancing system should be assessed in light of the comprehensive multilateral regulatory process started by the European Commission in 2017, involving the Agency, ENTSOG, and the Romanian TSO and NRA with the objective to design a compliant entry exit gas system and close the implementation gap relating to several network codes, including the Balancing Network Code. In this framework, balancing rules were developed side-by-side with other technical regulations.</p> <p>Following the country visits, the Central and South Eastern Europe Energy Connectivity ('CESEC') initiative set 16 April 2019 as the realistic deadline for the Code implementation in Romania. In the meantime, a joint working group including the European Commission ('EC'), the Agency, ENTSOG, the Romanian NRA (ANRE) and TSO (TRANSGAZ) worked on a Concept</p>

Paper for the implementation of the Entry-Exit System, which was presented to stakeholders in a workshop in the first quarter of 2018 and was implemented by TRANSGAZ since 1 October 2018.

The NRA reports that, as of 1 October 2018, the Entry-Exit model and the Virtual Trading Point ('VTP') have been fully established, as well as rules on nominations, re-nominations, allocations, balancing, and neutrality provisions.

Imbalance tolerances, which were used as interim measures, have also been eliminated from 1 October 2018.

As a side remark, the Agency notes that the existence of multiple trading platforms in Romania, despite a single TSO and balancing zone, may fragment liquidity and hinder the growth of the short-term market.

Finally, the Agency notes that from 1 May 2019 until 30 June 2020, the domestic gas production sold to household customers and producers of thermal energy for household customers (cogeneration for heating purposes) has a set price of 68 lei/MWh. Suppliers who need to balance their portfolios for the aforementioned customers can use a dedicated market with WD and DA products. The cash-out price in this market, where the initial imbalances are set, cannot exceed 68 lei/MWh. Until December 2019, the total initial daily imbalance subject to trades was 120 TWh, or 0.23% of the total transactions for this segment. Yet the total initial daily imbalance was 3 times higher than the total final commercial imbalance (equal to 44 TWh): this shows that a high share of initial network users' imbalance activity is cleared in a restricted market at a capped price and not exposed to the cash-out prices of the trading platforms according to the Code. The Agency finds this approach not in line with the Code on the specific aspect of cash-out prices. The NRA reports that from 1 July 2020 the entire market will be liberalized, in line with the Third energy package and the balancing activity will be carried out according to the Code.

~~Paper for the implementation of the Entry-Exit System, which was presented to stakeholders in a workshop in the first quarter of 2018 and was implemented by TRANSGAZ since 1 October 2018.~~

~~The NRA reports that, as of 1 October 2018, the Entry-Exit model and the Virtual Trading Point ('VTP') have been fully established, as well as rules on nominations, re-nominations, allocations, balancing, and neutrality provisions.~~

~~Imbalance tolerances, which were used as interim measures, have also been eliminated from 1 October 2018.~~

~~As a side remark, the Agency notes that the existence of multiple trading platforms in Romania, despite a single TSO and balancing zone, may fragment liquidity and hinder the growth of the short-term market.~~

~~Finally, the Agency notes that from 1 May 2019 until 30 June 2020, the domestic gas production sold to household customers and producers of thermal energy for household customers (cogeneration for heating purposes) has a set price of 68 lei/MWh. Suppliers who need to balance their portfolios for the aforementioned customers can use a dedicated market with WD and DA products. The cash-out price in this market, where the initial imbalances are set, cannot exceed 68 lei/MWh. Until December 2019, the total initial daily imbalance subject to trades was 120 TWh, or 0.23% of the total transactions for this segment. Yet the total initial daily imbalance was 3 times higher than the total final commercial imbalance (equal to 44 TWh): this shows that a high share of initial network users' imbalance activity is cleared in a restricted market at a capped price and not exposed to the cash-out prices of the trading platforms according to the Code. The Agency finds this approach not in line with the Code on the specific aspect of cash-out prices. The NRA reports that from 1 July 2020 the entire market will be liberalized, in line with the Third energy package and the balancing activity will be carried out according to the Code.~~

On page 20, a new header and additional information are added to reflect the implementation status of the BAL NC in Romania, correcting the misleading information included in paragraphs (43-48) of version 1:

Version 1	Corrigendum 1.1
	3.1.5 Interim measures terminated, but partial Code compliance

3.1.5.1 Romania

The Romanian balancing system should be assessed in light of the comprehensive multilateral regulatory process started by the European Commission in 2017, involving the Agency, ENTSOG, and the Romanian TSO and NRA with the objective to design a compliant entry-exit gas system and close the implementation gap relating to several network codes, including the Balancing Network Code. In this framework, balancing rules were developed side-by-side with other technical regulations.

Following the country visits, the Central and South Eastern Europe Energy Connectivity ('CESEC') initiative set 16 April 2019 as the realistic deadline for the Code implementation in Romania. In the meantime, a joint working group including the European Commission ('EC'), the Agency, ENTSOG, the Romanian NRA (ANRE) and TSO (TRANSGAZ) worked on a Concept Paper for the implementation of the Entry-Exit System, which was presented to stakeholders in a workshop in the first quarter of 2018 and was implemented by TRANSGAZ on 1 October 2018.

The NRA reports that, as of 1 October 2018, the Entry-Exit model and the Virtual Trading Point ('VTP') have been fully established, as well as rules on nominations, re-nominations, allocations, balancing, and neutrality provisions.

Unlike initially reported by the NRA, the Agency notices that information provisions to non-daily metered users have not been implemented according to the Code. This represents an important missing building block for any balancing system.

Imbalance tolerances, which were used as interim measures, have also been eliminated from 1 October 2018.

As a side remark, the Agency notes that the existence of multiple trading platforms in Romania, despite a single TSO and balancing zone, may fragment liquidity and hinder the growth of the short-term market.

Finally, the Agency notes that from 1 May 2019 to 30 June 2020, the domestic gas production sold to household customers and producers of thermal energy for household customers (cogeneration for heating purposes) has a set price of 68 lei/MWh. Suppliers who need to balance their portfolios for the aforementioned customers can use a dedicated market with WD and DA products. The cash-out price in this market, where the initial imbalances are set, cannot

	<p>exceed 68 lei/MWh. Until December 2019, the total initial daily imbalance subject to trades was 120 TWh, or 0.23% of the total transactions for this segment. Yet the total initial daily imbalance was 3 times higher than the total final commercial imbalance (equal to 44 TWh): this shows that a high share of initial network users' imbalance activity is cleared in a restricted market at a capped price and not exposed to the cash-out prices of the trading platforms according to the Code. The Agency finds this approach not in line with the Code on the specific aspect of cash-out prices. The NRA reports that from 1 July 2020 the entire market will be liberalized, in line with the Third energy package and the balancing activity will be carried out according to the Code.</p>
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3.4 Compliance with the five main features of the Code

On page 21, the first bullet point of paragraph (90) is modified as follows:

Version 1	Corrigendum 1.1
Germany, Ireland, Lithuania, Poland, Romania, and Sweden show high implementation; from January 2020 also the newly merged zone Estonia-Latvia shows signs of high implementation	Germany, Ireland, Lithuania, Poland, Romania , and Sweden show high implementation; from January 2020 also the newly merged zone Estonia-Latvia shows signs of high implementation

On page 22, the row on Romania in Table 3 is modified as follows:

- **In version 1**, Romania was reported scoring high implementation in the Code area of short-term wholesale market enabling and as the overall balancing zone score.
- **In Corrigendum 1.1**, Romania is reported scoring *partial* implementation in the Code area of short-term wholesale market enabling and as the overall balancing zone score.

Table 3: Overall Code compliance of balancing zones that opted to apply IMs, did not end transitional measures, or were subject to derogation (GY 18/19)

Legend:

High implementation
Partial implementation
Limited implementation

Balancing zones' overall score	Score in the main Code's areas				
	Short-term wholesale market enabling	TSO's use of the short-term balancing market	How a daily cash-out regime is delivered	How the TSO's neutrality is ensured	The termination of interim measures
Version 1	High	High	Limited	High	High
Corrigendum 1.1	High	High	Limited	High	High

Version 1

Romania	High	High	Limited	High	High
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Corrigendum 1.1



Romania



Annex 1: Summary tables assessing implementation

A. Balancing zones that terminated all interim measures

RO – Romania

In version 1, Romania was reported scoring high implementation in the Code area of short-term wholesale market enabling and as the overall balancing zone score.

In Corrigendum 1.1, Romania is reported scoring partial implementation in the Code area of short-term wholesale market enabling and as the overall balancing zone score. Moreover, additional explanatory text is added.

The aforementioned change is applied by modifying the second and last rows of the summary table, as shown below²:

Version 1

Key features	Evaluation	Comments
Short-term wholesale market enabling		<p>Details of each balancing action taken are published: http://www.transgaz.ro/en/clients/operational-data/balancing-actions-ots</p> <p>There are four licensed market operators: two of them (BRM and OPCOM) are active as trading platforms.</p> <ul style="list-style-type: none"> OPCOM: https://www.opcom.ro/pp/home.php BRM: http://www.brm.ro/ <p>Each market operator offers STSPs.</p> <p>The other two operators are S.C. Humintrade S.R.L. and S.C. Tradex Platform S.R.L. They also have a license to operate the centralized gas market and are in the process of implementing trading software.</p>
Overall		

Corrigendum 1.1

Key features	Evaluation	Comments
Short-term wholesale market enabling		<p><i>Information provision on non-daily metered offtakes has not yet been implemented according to the Code.</i></p> <p>Details of each balancing action taken are published: http://www.transgaz.ro/en/clients/operational-data/balancing-actions-ots</p> <p>There are four licensed market operators: two of them (BRM and OPCOM) are active as trading platforms.</p> <ul style="list-style-type: none"> OPCOM: https://www.opcom.ro/pp/home.php BRM: http://www.brm.ro/ <p>Each market operator offers STSPs.</p>

² To improve readability, only the second and last row of the summary table are reported.

		The other two operators are S.C. Humintrade S.R.L. and S.C. Tradex Platform S.R.L. They also have a license to operate the centralized gas market and are in the process of implementing trading software.
Overall		

Following the table, an additional recommendation is added:

Version 1	Corrigendum 1.1
	Recommendations to the NRA: <i>Implement a Code-compliant methodology to forecast offtakes of non-daily metered users.</i>

Volume II

Balancing zones assessment

A. Balancing zones that terminated all interim measures

RO – Romania

In version 1, on page 15, the country assessment sheet coded the balancing zone of Romania with “Yes” on implementing Info requirements on network user portfolio.

In Corrigendum, the implementation code is changed to “No”, as it appears that there is not yet in place a methodology to forecast non-daily meter users and the forecasting party has not yet been decided. The respective explanation has been modified accordingly.

Version 1

Key elements	Coding	Explanation
Info requirements - network user portfolio	Yes	Network users receive information twice per day (at 11:30 and 19:30 hours) from the TSO (which is the forecasting party), as referred to in Article 57.3 (4) of the RNC.

Corrigendum

Key elements	Coding	Explanation
Info requirements - network user portfolio	No	The implementation of non-daily metered off-takes forecast has not yet been performed according to Article 36 on BAL NC.