

ACER



Agency for the Cooperation
of Energy Regulators

Transparency monitoring Compliance with requirements from Chapter 3, Annex I, of Regulation 715/2009

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Legal background

Chapter 3, Annex I of Regulation 715/2009

- Chapter 3 of Annex I to Regulation 715/2009 introduces a set of transparency obligations on transmission system operators (TSOs) in relation to:
 - **Content** of publication: system and services, capacity information, gas flows, etc.
 - **Scope** of information published: information for certain relevant points
 - **Format** of publication: accessibility, frequency, user-friendliness
- Regulation (EC) No 715/2009, published on 14 August 2009, was amended by **Commission Decision of 10 November 2010**, which introduced further and more specific obligations on transparency to TSOs, for application as of 3 March 2011
- The recent **Commission Decision of 24 August 2012** has again amended Annex I of Regulation 715/2009, introducing new guidelines on CMP as well as some further transparency obligations:
 - Downloadable format agreed by TSOs and NRAs on the basis of an opinion by ACER on a harmonised format that allows for quantitative analyses
 - All data to be available as of 1 October 2013 on a EU-wide central platform, established by ENTSOG on a cost-efficient basis
 - Further transparency obligations related to the new CMP guidelines (as of 1 October 2013)

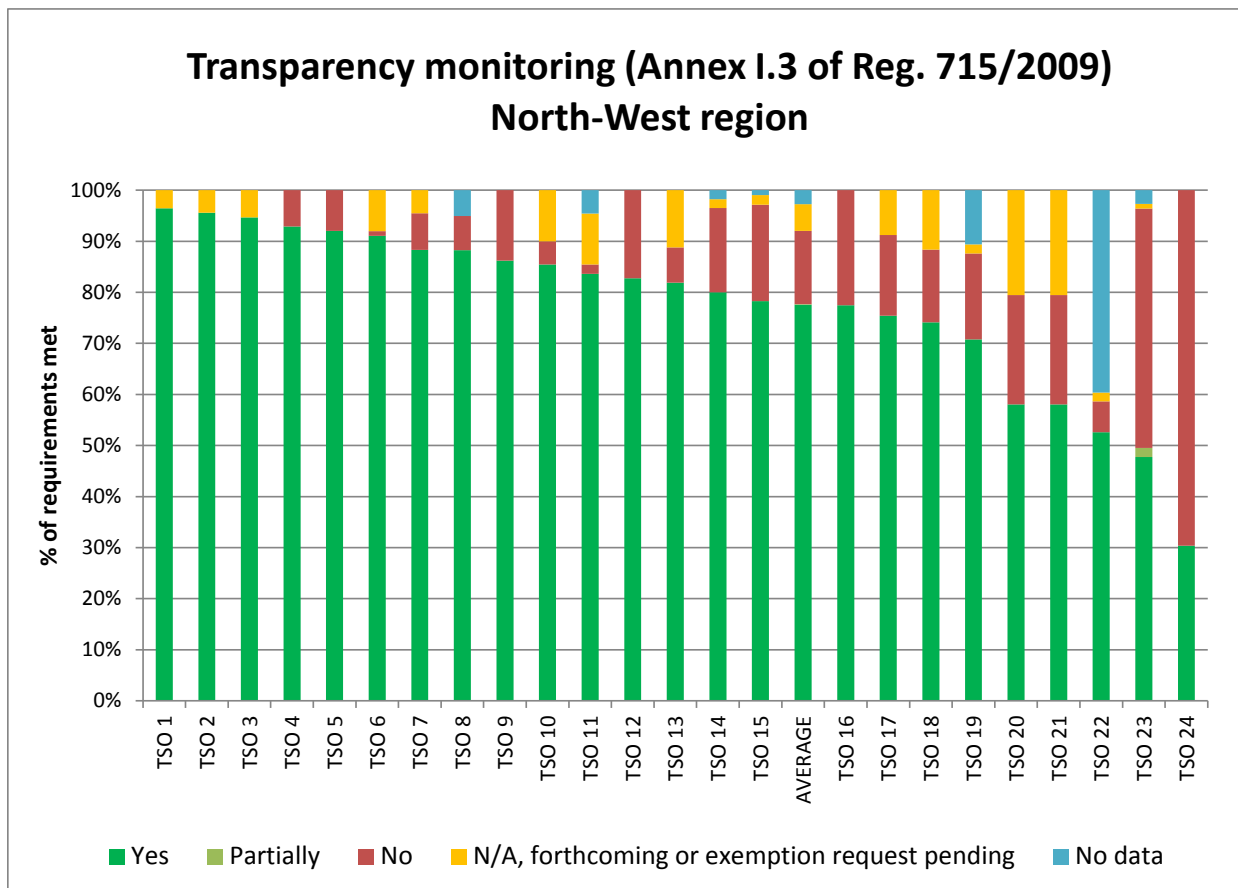
Background and scope of the inquiry

- In the 20th Madrid Forum, ACER announced its intention of **monitoring** the **implementation of transparency** rules pursuant to Chapter 3, Annex I of Regulation 715/2009
- The inquiry refers to the transparency obligations as established in the EC Decision of 10 November 2010
- ACER presented the preliminary results based on **TSOs' self-assessment** in the last Madrid Forum in March 2012
- The Agency will present the **final results** of this analysis in the next Madrid Forum in October 2012. They are preliminary presented in today's workshop
- The **Gas Regional Initiative** has been a good instrument to help carrying out this analysis
- The South region has also analysed the compliance of **LNG and storage** system operators with the transparency requirements in Regulation 715/2009 (articles 15, 19 and 20)
- The analysis covers **41 TSOs** from **22 EU Member States** (all but Malta, Cyprus, and those where TSOs are not yet bound by transparency obligations in Regulation 715/2009: Finland, Estonia and Latvia)

Methodology

- The process followed in the analysis has been as follows:
 - **TSOs** were asked to complete a **questionnaire** with a structure based on the list of the requirements of Section 3, Annex I of Regulation (EC) No 715/2009
 - Where the TSO was not reachable or able to do it, the NRA was asked to complete the questionnaire instead
 - **NRA checked** in any case the questionnaires received by TSOs
 - After NRAs' check, TSOs' responses to the questionnaires have been submitted to **public consultation**, with the following timeline:
 - **North-West region**: over the months of November 2011 – January 2012
 - **South region**: over the months of March – June 2012
 - Remaining countries (**SSE region and non-GRI**): over the month of August 2012
 - The **results of the public consultations** have been processed by ACER. Where discrepancies exist between stakeholders and TSOs, **ACER** has checked and shared them with the respective **NRA** for double check
 - Finally, **NRA**s in the NW region have been given the chance to **update** the level of compliance of their TSOs in September 2012. Some still under review
- Today's presentation includes the **outcome** of all this process

NW region – Overview of results



Notes:

- The results for some TSOs are still under review by ACER together with the concerned NRAs
- Answers to the question "Information published by a third party?" have not been considered

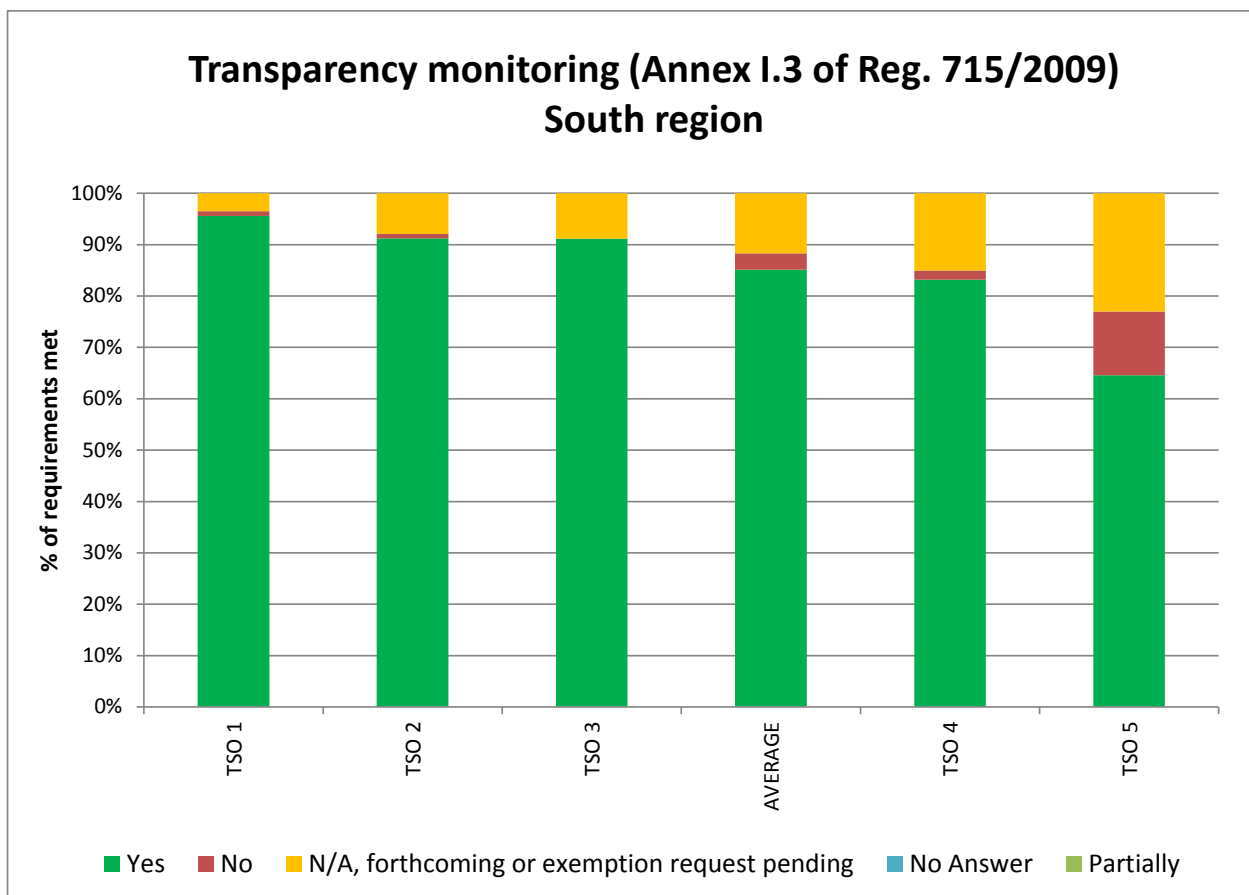
NW region – Main findings

- **High degree of compliance**, in general, with Annex 1.3 of Regulation (EC) No 715/2009, in particular in the case of information on:
 - ✓ Description of gas system and services offered
 - ✓ Network code – contracts, pressure requirements, interruption procedure
 - ✓ Provisions on CAM, CMP anti-hoarding and reutilisation
 - ✓ Nomination and matching procedures
 - ✓ Balancing rules and imbalance charges
 - ✓ Rules for connection to TSOs' facilities
 - ✓ Procedures agreed by TSOs related to interoperability, nomination, balancing
 - ✓ General information on technical/booked-available/firm-interruptible capacity
 - ✓ User-friendly instruments for calculating tariffs
 - ✓ Provisions concerning the form of publication (easy access, user-friendliness, regular publication, downloadable and workable formats, notice of updates)
- On average, about **78%** of requirements met
- Examples of good level of compliance: National Grid, GRTgaz
- Six TSOs above 90%, 14 above 80%. Two below 50%

NW region – Main findings

- Some **room for improvement** on information about:
 - ✓ Flexibility and tolerance levels
 - ✓ Emergency mechanisms
 - ✓ Actual physical flows, planned and actual interruptions
 - ✓ Methodology, process and parameters for capacity calculation
 - ✓ Measured values of the gross calorific value or Wobbe index
 - ✓ Information about the secondary market (N/A in many cases)
 - ✓ Information in English in some cases
- And only **some TSOs** publish:
 - ✓ Aggregate information on capacities for end customers and production facilities
 - ✓ Historical information on capacities, nominations, interruptions, physical flows
 - ✓ Amount of gas at the beginning of the day and forecast for the end of the day
 - ✓ Imbalance position of users at the start and end of the day
- The results for some TSOs are still **under review** by ACER together with the concerned NRAs until the final presentation in the Madrid Forum

South region – Overview of results



Note:

Answers to the question “Information published by a third party?” have not been considered

South region – Main findings

- In general, the TSOs show a **high level of compliance** with transparency requirements from Regulation (EC) No 715/2009, in particular in:
 - ✓ Gas system description
 - ✓ Service description and contracting process
 - ✓ Nomination and matching procedures
 - ✓ Balancing rules and imbalance charges
 - ✓ Flexibility and tolerance levels
 - ✓ Emergency mechanisms
 - ✓ Procedures agreed at interconnection points
- On average, **85%** of requirements met
- Examples of good level of compliance: GRTgaz, Enagas
- Three of the five TSOs above 90%. The lowest, about 65%

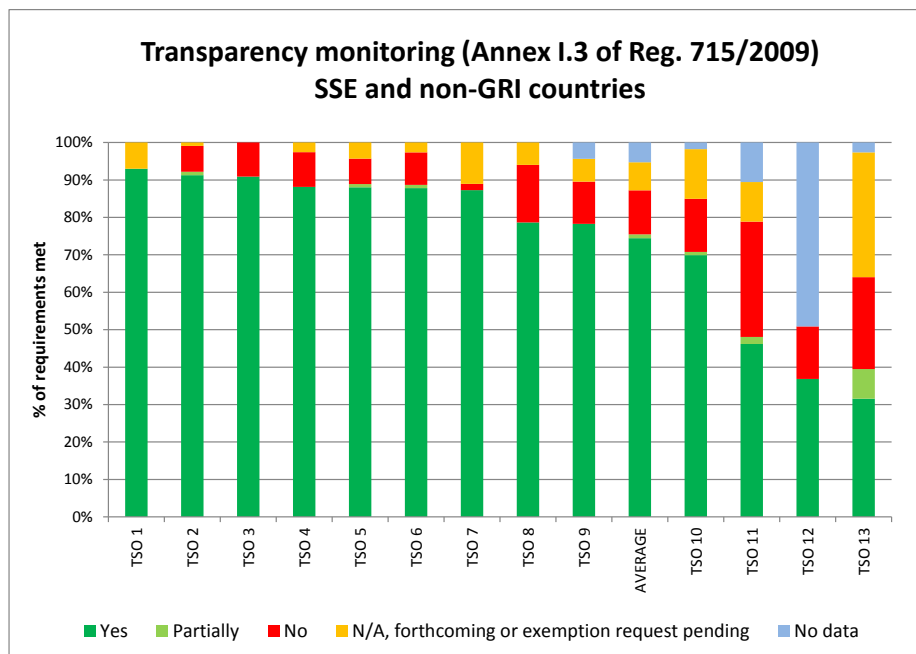
South region – Main findings

- Some **room for improvement** on:
 - ✓ More clarity on prices for services
 - ✓ Flexibility and tolerances levels
 - ✓ Frequency of publication and easiness to find information
 - ✓ Information on secondary markets
 - ✓ Historical data
 - ✓ Form of publication (English, units, etc.)
- In the South region, transparency was also analysed for LSOs and SSOs against the transparency requirements in Regulation 715/2009. In general, LSOs and SSOs show a good level of compliance
- The results have been reviewed by the concerned NRAs and can be considered **final** for presentation in the **Madrid Forum**

SSE region and non-GRI countries

Overview of results

- Countries covered in the analysis: Austria, Bulgaria, Czech Republic, Greece, Hungary, Italy, Lithuania, Poland, Romania, Slovakia and Slovenia
- Questionnaires completed by TSOs, NRAs or directly by ACER
- TSOs not yet bound by the requirements are not covered in the analysis



Note:

- The results for some TSOs are still under review by ACER together with the concerned NRAs
- Answers to the question "Information published by a third party?" have not been considered

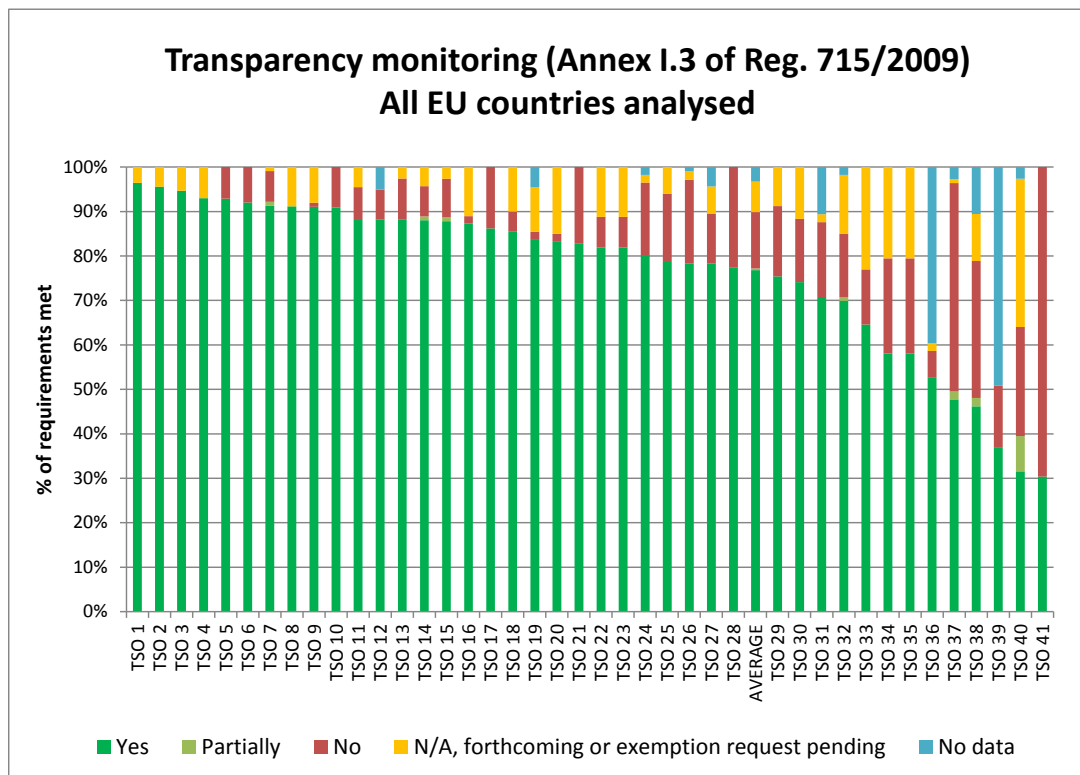
SSE region and non-GRI countries

Main findings

- Difficulties in getting responses from some NRAs/TSOs
- Amount and detail of information varies considerably from TSO to TSO
- In the countries and TSOs analysed, there is in general a **fair level of compliance** on descriptive information about the system, services provided, system procedures and general data of technical and available-booked capacities
- There is room for **improvement** in flexibility and tolerances, planned/actual interruptions, amount of gas at start/end of the gas day
- There seem to be **issues** in relation to timeliness (information “near real time” e.g. gas flows), detail (granularity) and user-friendliness of information
- Examples of good transparency practice: TAG, Snam Rete Gas, Plinovodi
- On average **about 75%** of requirements met^(*)
- Three TSOs above 90%, seven above 80%. Three below 50%^(*)

(*) Excluding the TSOs not bound by the transparency requirements from Regulation (EC) No 715/2009

Overall results in EU countries



- On average, about **77%** of requirements met^(*)
- Nine TSOs above 90%, 24 above 80%. Four below 50%^(*)

(*) Excluding TSOs not bound by the transparency requirements from Regulation (EC) No 715/2009

Main conclusions and way forward

- In general, there is a **good level of compliance** by TSOs against the transparency requirements in Section 3, Annex 1 of Regulation 715/2009
- In particular, the situation is **satisfactory** regarding information about the system, services provided, system procedures and general data of technical and available/booked capacities
- However, there is still **room for improvement** in a number of areas, such as historical information, flexibility and tolerances, planned and actual interruptions, amounts of gas at start and end of the gas day
- Different perception by NRA and stakeholders in some instances
- There are **remaining issues** especially as regards **timeliness** of information near real time or as soon as available to the TSO (e.g. gas flows) and **quality** of information in some cases
- **NRAs should take action to enforce compliance** with these requirements, by analysing these issues together with TSOs in order to bring them to compliance

These final results will be presented with identification of TSOs at the next Madrid Forum on 2 October 2012

Disclaimer

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