

## ENTSOG's 2010 Annual Work Programme

### Contents

Executive Summary

#### Part 1 Background

Decision to create ENTSOG  
Primary objectives for 2010

#### Part 2 Individual Project Plans

Establishing ENTSOG  
Capacity Product Co-ordination  
Transparency  
European Ten Year Network Development Plan  
European Winter and Summer Outlooks  
Balancing  
Procedure on Harmonization of Maintenance Publication  
IT & Communications Roadmap

#### Part 3 ENTSOG establishment and membership list

## Executive Summary

ENTSOG has now been created.

ENTSOG supersedes GTE+, the workgroup established in February 2008, which has made progress towards designing and establishing the ENTSOG as well as delivering tangible progress towards the single European market, particularly within the areas of transparency, Ten Year Network Development Plan and capacity.

ENTSOG's objectives are to deliver on the obligations associated with TSO co-operation defined in the Third Package.

Priorities for ENTSOG in 2010 will be to establish the new organisation, continue the recruitment of its staff to deliver the projects outlined in this paper.

ENTSOG is committed to work with all stakeholders to deliver progress towards the better functioning of the European gas market. We look forward to delivering and communicating progress that will be achieved by working with all stakeholders in the coming years.

## Part 1 Background

### Decision to create ENTSOG

The Third Package framework is now defined and hence TSOs have chosen to act quickly rather than await the implementation timelines envisaged within the Third Package.

On the 24 Sep 2009 European TSOs within GTE decided to create a new organisation, European Network of Transmission System Operators for Gas (ENTSOG) as envisaged by the Third Package.

ENTSOG has now been created with the foundation deed being signed in Brussels by 31 TSOs from 21 countries on 1 Dec 2009. Other TSOs are expected to join shortly and, as the Third Package is progressively implemented all designated European TSOs are anticipated to join ENTSOG.

ENTSOG supersedes GTE+, the workgroup established in February 2008 which made progress towards designing and establishing the ENTSOG as well as delivering tangible progress towards the single European market, particularly within the areas of transparency, Ten Year Network Development Plan and capacity. GTE+ has provided the foundation on which ENTSOG will be built.

On the 23 July 2009 GTE+ published its *GTE's 2010 Annual Work Programme Consultation – Initial Thoughts* document<sup>1</sup>.

The objective of the consultation was to continue the dialogue with stakeholders to ensure that GTE+'s 2010 Annual Work Programme was realistic, provided an opportunity to establish the basis for the new organisation, ENTSOG, and to deliver tangible progress via specific projects towards the single European gas market. GTE+ committed to take account of the markets opinions and to be responsive refining the intended work programme where appropriate.

All respondents to this consultation supported the proposal to establish ENTSOG ahead of the implementation timeline envisaged by the Third Package. ENTSOG has now been created and will be resourced to meet its 2010 AWP commitments as outlined in this document.

Thus ENTSOG has now replaced GTE+.

Feedback from consultation responses has been taken into account in the formulation of the individual project plans contained in this document.

We look forward to working with the full range of stakeholders over the upcoming years. Please contact Vittorio Musazzi, General Manager ([vittorio.musazzi@entsog.eu](mailto:vittorio.musazzi@entsog.eu)) if you require any further information about this Annual Work Programme.

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<sup>1</sup>GTE+ 2010 Annual Work Programme Consultation / Initial Thoughts  
(09GTE+212)

## ENTSOG's primary objectives for 2010

ENTSOG will progressively increase its resourcing to ensure that it can deliver on all of its obligations defined in the Third Package.

ENTSOG's focus for 2010 will be in three areas:

- **trialling ENTSOG's processes and procedures**

The Articles of Association and Rules of Procedure<sup>2</sup> are based upon earlier dialogue with stakeholders and describe how we will interact with stakeholders in our development and consultation processes. It is critical that the stakeholders engage in our work, their voice is heard and due account of all views informs ENTSOG's outputs. ENTSOG will strive to optimise engagement and to be as transparent as possible in all our dealings.

- **trialling of Third Package "code development process"**

The Commission have invited ERGEG to draft a Framework Guideline on capacity on a pilot basis before the Third Package can be formally implemented. We will participate in the regulators' development activity and look forward to leading the consequential code development activity during 2010.

There may also be other opportunities to trial the Third Package processes perhaps, for example, in respect of balancing. We await a Commission decision about other areas that might define a second pilot but in the meantime we will start preliminary work that might subsequently inform regulators' work on a Framework Guideline and ENTSOG code development activity.

- **specific ENTSOG lead projects**

ENTSOG will also lead other areas of activity e.g. Transparency, Ten Year Network Development Plan, IT Roadmap and Maintenance Information Publication. This will continue the work started by GTE+. Some of these are areas where ENTSOG leadership is defined in the Third Package; others where contributions can contribute to market development.

During 2010 ENTSOG will:

- complete a Ten Year Network Development Plan building on the experience of GTE+'s work
- adopt the GTE+ transparency platform and focus on increasing the level of TSO participation and to enhance the frequency of update of information
- develop winter and summer outlooks to inform the market and the Gas Co-ordination Group
- develop a procedure for the harmonization of maintenance publication
- produce an IT and Communications Roadmap.

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<sup>2</sup> Available on website [www.entsoq.eu](http://www.entsoq.eu)

## **Part 2 Individual Project Plans**

- **Establishing ENTSOG**
- **Capacity Product Co-ordination**
- **Transparency**
- **European Ten Year Network Development Plan**
- **European Winter and Summer Outlooks**
- **Balancing**
- **Procedure on Harmonization of Maintenance Publication**
- **IT & Communications Roadmap**

## **ENTSOG Project Plan**

### **Establishing ENTSOG**

#### **Objective**

To implement ENTSOG (including statutes, rules, operating and decision making processes), secure the relevant staff and delivering the agreed work programme.

#### **Deliverables**

Establish the new organisation and start work wherever practical and possible as envisaged for ENTSOG in the Third Package.

Complete and commence implementation of the ENTSOG 2011/2012 Annual Work Programme.

Develop first ENTSOG Annual Report to review progress made against ENTSOG 2010 AWP.

#### **Background**

TSOs decided to act quickly and establish the ENTSOG at a foundation meeting on 1 December 2009 rather than wait for the formal processes envisaged in the Third Package.

Regulators have confirmed that TSOs costs associated with both ENTSOG membership and their involvement in ENTSOG activities will be remunerated.

ENTSOG's predecessor has worked with stakeholders during 2008 and 2009 building understanding of how its processes and interactions might function. It will now expand resources as it progresses towards the fully functioning environment in which both Agency and ENTSOG will function as envisaged in the Third Package from March 2011.

#### **Assumption**

Ongoing expansion of ENTSOG will require sufficient comfort from regulators about being remunerated for the costs associated with implementing the agreed work programme and consequential ENTSOG and TSO costs.

#### **Plan**

The following diagram shows the expected timeline for this project:



## **GTE+ to ENTSOG evolution**

To deliver this programme it has been necessary to expand resources and to find new premises.

The budget for the first year of ENTSOG is sufficient to secure new premises for ENTSOG and to recruit a team involving a General Manager and a team of six advisers.

## **Second ENTSOG Annual Work Programme (2011/12)**

ENTSOG will complete a second Annual Work Programme for 2011/2012. This will capture progress to date in respect of the 2010 AWP and will be influenced via further dialogue with Commission, ERGEG and stakeholders. The AWP development and consultation process will be conducted under ENTSOG governance and will include budget and resource requirements to provide a firm foundation for 2011/2012 work. The envisaged Third Package processes will be used to the extent possible and a final opinion from ERGEG will be sought.

## **First ENTSOG Annual Review Report**

ENTSOG notes feedback from stakeholders that it is important to review progress against plan in a transparent and objective way. Therefore ENTSOG will take steps during 2010 to start a process of review and reporting on progress against this plan. It is envisaged that an Annual Review Report will be published either at the end of 2010 or very early in 2011.

## **Stakeholder consultation on development and consultation processes**

ENTSOG remains of the view that the success of the ENTSOG organisation will depend critically on its development and consultation processes. ENTSOG will therefore engage with stakeholders to assess stakeholder feedback about the operation of these processes so that they can be refined wherever and whenever that is considered desirable.

## ENTSOG Project Plan

### Capacity Product Coordination

#### Objectives

- To create a basis for working on a Pilot Framework Guideline/Network Code for Capacity by developing positions to facilitate a European code rule development process including the following considerations:
  - a set of Standard Capacity Products which is most appropriate;
  - a Capacity Allocation Methodology (CAM) that should be applied and
  - identification of the suitability of congestion management procedures that could be implemented.
- To widely consult the Market to involve all relevant market participants in order to identify its views and proposals as well as to provide the outcome to ERGEG.
- To support ERGEG in the development of the Pilot Framework Guideline.
- To draft a Pilot Network Code for capacity.

The Project will therefore strive to trial the ways of working resulting from the Third Energy Package and to deliver a Pilot Network Code.

ENTSOG considers that progress should not be delayed whilst all the formal mechanisms are developed and put in place.

#### Deliverables

As detailed above ENTSOG aims to start work on the Code Development as soon as possible in order to make a timely and tangible progress in this area. In addition, the Capacity Product Coordination group has already begun preparatory work in anticipation of the Third Package implementation.

Several work areas were already identified which are a basis for the future Network Code development. These areas encompass a Standard Capacity Product definition, a Capacity Allocation Methodology investigation; and an evaluation on Congestion Management Procedures.

ENTSOG wishes to gain an in-depth understanding of what the Stakeholders consider relevant with respect to the three topics as it provides an important contribution to the development of the Pilot Network Code for capacity. Equally, a need to understand which characteristics of these areas could be applied on a pan-European basis is important to further define how capacity sales should function on an overarching basis. Therefore ENTSOG has sought the views of the Stakeholders on these three capacity areas using an Online Survey in November 2009. The results of this work will be discussed with Stakeholders and will feed into the Network Code development process.

Thereafter, ENTSOG intends to deliver a Pilot Network Code Project Plan covering the process of producing a Pilot Network Code for the area of Capacity Allocation Methodology (including the definition of Standard Capacity Products). This Project Plan will include a "Pilot Network Code Launch documentation" describing the initial thoughts on the future Code. The main pre-requisite for the envisaged progress will be the submission of an appropriate and timely Framework Guideline by ERGEG. ENTSOG members are willing to support ERGEG on this important piece of work.

On the basis of the developed Framework Guidelines and the preparatory work detailed above, ENTSOG would then develop the Draft Pilot Network Code following the formal request from the Commission to propose such a Pilot Code.

To support the Plan, ENTSOG is providing key resources from TSOs with relevant experience in the capacity area. This core team will be tasked in the development of this key deliverable for the planned duration of the Project.

## Background

Within GTE+, work relating to the area of Capacity Product Coordination has been ongoing during the past two years. Originally being set up as an internal group to initially investigate the capacity services that are provided by TSOs, the scope was then subsequently enlarged to a greater extent with the introduction of GTE+ and now with the foundation of ENTSOG.

During the initial stages, a wide-ranging analysis of European TSO capacity systems was conducted and recommendations towards an enhanced level of compatibility across Europe were drawn. The findings were captured in a consultation document and shared with all Stakeholders (including Regulators and Users of the transmission systems). To further discuss the topic a Customer Workshop with a subsequent consultation phase was held in 2008 which enabled GTE+ to receive feedback and generate an understanding of what the different market participants considered important to them.

Taking the feedback into account, the Consultation document was revised and a Final First Phase CPC Report was published in April 2009. In addition to the improvement of some of the recommendations, the definition of work areas and goals for the Capacity Product Coordination Project was extended to include the future focus covering Standard Capacity Products, Capacity Allocation Methodologies and Congestion Management Procedures. The main vehicle for these topics was an Online Survey; which was published in November 2009. The results from this survey are to be provided to ERGEG for their work on developing a Framework Guideline in early 2010 and the subsequent Pilot Network Code.

## Assumptions

The preparatory work undertaken by GTE+/ENTSOG requires the active participation of Stakeholders. It will be necessary to seek and gather proactive feedback from the market on any interim results and progress made within the project to ensure that progress is made in the appropriate direction. Therefore ENTSOG intends to continue holding individual dialogue, and working sessions with wider ranges of Stakeholders whenever necessary. .

Testing the implementation of the Third Energy Package in the development of a Framework Guideline and subsequent Pilot Code will require extensive collaboration with the System Users, ERGEG and the European Commission. ENTSOG has started a close collaboration with ERGEG which is considered to be a sound basis for achieving a tangible outcome.

Following a decision by the European Commission and ERGEG, the area of capacity was split up into Capacity Allocation Methodologies and Congestion Management Procedures (CMP). Whereas for CAM a Pilot Network Code is to be delivered in order to test the process as foreseen in the Third Energy Package, for CMP the Comitology procedure was chosen. In the latter, ENTSOG has no formal role in the process although input and experience will be offered in order to contribute to the formulation and refinement of the proposal.

To meet the timeline outlined below, ENTSOG has made the assumption that ERGEG will deliver a Pilot Framework Guideline on CAM in May 2010. Furthermore, to reach the overall objective of recommending a Pilot Code on CAM by May or June 2011 (depending on the time the Commission is inviting ENTSOG to start the work on a Code), ENTSOG assumes



## **Major elements of phase 1 of the Project (preparation)**

### Standard Capacity Product definition

When market based capacity sales mechanisms, such as Auctions or Open Subscription Periods are applied, clear standard products need to be defined. This is needed as booking / bidding windows etc will need to be established which are compatible with each other. To be able to discuss such capacity requesting windows, it must be understood for which product they should be defined. Therefore GTE+ has used its Online Survey to elaborate on what set of Standard Capacity Products could be recommended on a European level (e.g. day, month, quarter or year).

### Capacity Allocation Mechanisms investigation

Depending on the scope of a Draft Network Code for CAM a common primary capacity allocation mechanism may need to be defined / established for all Member States. In this regard GTE+ has used an Online Survey to consult with Users as to what method may be preferred on a common basis. If a clear outcome could be generated then subsequent work on defining a requesting procedure on an EU level may be feasible.

### Pilot Framework Guideline Development

The European Commission has invited ERGEG in September 2009 to start work on a Pilot Framework Guideline on CAM. Progress and results are expected in the next Madrid Forum in January 2010. A first Pilot Framework Guideline is expected in the second quarter of 2010. ENTSOG in collaboration with ERGEG will continue to offer its expertise in this process maintaining the ongoing dialogue which has taken place over the last few months.

### Code Project Plan / Launch Documentation

In order to be prepared for the subsequent drafting of a Pilot Network Code; a Code Project Plan needs to be created which should define:

- the organisation of the Stakeholder Joint Working Session,
- roles and responsibilities
- expected milestones
- deliverables, and
- the required resources.

ENTSOG has started work on this Plan, which should be finalised in summer of 2010 after a market consultation process.

Included in this work will be the "Launch Documentation" which intends to provide the first thoughts on what ENTSOG considers as the relevant content for the Pilot Code on CAM.

### Congestion Management Procedures Evaluation

During 2009, GTE+ has provided detailed positions on the measures suggested by ERGEG in its CAM/CMP Principles Document which was published in January. Subsequently, an internal investigation on Congestion Management Procedures was conducted to identify what can be considered within ENTSOG for this aspect. As CMP was chosen to be developed applying the Comitology procedure in 2010; ENTSOG will offer its detailed advice and experience where possible to this process.

## **Major elements of phase 2 of the Project (Network Code development)**

### Network Code development on Capacity Allocation

After ERGEG has submitted the Pilot Framework Guidelines and the European Commission has approved it, ENTSOG wishes to start drafting the Pilot Network Code on Capacity in the second half of 2010. Therefore, ENTSOG beforehand needs to organise the Stakeholder Joint Working Sessions. The aim of these sessions is to create a permanent discussion forum with Stakeholders on the content of the Pilot Network Code which is to be prepared by ENTSOG. The draft Pilot Network Code, which is expected to take around six months to formulate, will be followed by a consultation process. The feedback received will assist in finalising the Code, and to reach a consensus on the package among Stakeholders and ENTSOG.

With regards to the above steps, the final recommendation of the Pilot Network Code by ENTSOG is intended to take place in June 2011. The Pilot Network Code development process is being monitored by a Group established by the European Commission involving representatives from Regulators and from ENTSO-E and ENTSOG.

## ENTSOG Project Plan Transparency

### Objective

To contribute to enhanced transparency regarding the activities of transmission system operators in Europe.

### Deliverables

- To improve data quality provided on the Transparency Platform and increase the number of TSOs actively participating in the project.
- To further develop the Transparency Platform reflecting stakeholders' feedback.
- To pursue a common European approach to implementation of transparency requirements under Regulation (EC) 715/2009.
- To coordinate and support TSOs in implementing voluntary transparency at the national level.

*Voluntary transparency is to be understood as any transparency requirement going beyond the current legal obligations of TSOs and defined in particular in the framework of the MinTra list, and the recent Commission's proposal for amendment of Annex to the Regulation (EC) 1775/2005 on conditions for access to natural gas transmission networks. It would also cover an earlier implementation of transparency requirements defined in Regulation (EC) 715/2009.*

### Background

In line with the AWP 2009, GTE+ had been working, along with ECG Erdgas Consult, on the development of the Transparency Platform. Even if GTE+ had experienced some delay in the implementation of the project, as of 28 May 2009 the Transparency Platform delivers all features envisaged in the original Functional Specifications agreed in 2008 plus some additional ones which were added on the basis of stakeholders' feedback. Key milestones in the implementation of the Transparency Platform were as follows:

<b>Date of launch</b>	<b>New features</b>	<b>Comments</b>
17 November 2008	TSO-related information General information on the transmission system Links to specific web pages of the TSO Capacity information (18 months ahead) Tariff information Search functionality Interactive map	Launch of the Transparency Platform Integration of the Interoperability Map developed by GTE in 2007
17 March 2009	Switch of unit for the display of capacity data from Nm <sup>3</sup> /d to kWh/d	Based on stakeholders' request
2 April 2009	Balancing model information CAM information Capacity download facility Additional links to specific web pages of the TSO	
28 May 2009	Flows (allocations) Nominations Renominations Interruptions Download facility	Historical data up to 36 month into the past

As of June 2009, the Transparency Platform provides information on 27 TSOs. 17 out of the 27 are actively participating TSOs that update their system information on regular basis while information on the other 10 was collected from public sources by GTE+ and covers only basic information about the respective systems.

## Assumptions

The Transparency Platform has proved a useful tool not only to network users but also to other stakeholders. There is however room for improvement, in particular concerning data quality and the number of TSOs actively participating with regards to all the TP's features. Feedback and support from network users, respective national ministries and regulatory authorities, especially with regards to encouraging TSOs to participate in the project, is needed. The same applies to implementation of additional voluntary transparency. For the implementation to be successful, it is crucial that NRAs will agree to cover respective TSOs' costs.

## Plan

The following diagram shows the expected timeline for this project:

Transparency	2009												2010												2011											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Launch of Phase 2 of TP																																				
Improvement of data quality and increase in number of participating TSOs																																				
Further development of TP																																				
Workshop with stakeholders																																				
Preparation of Functional Specifications																																				
Development																																				
Implementation																																				
Coordination of and support to TSOs in implementing a common set of transparency deliverables under Regulation (EC) 715/2009																																				
Coordination of and support to TSOs in implementing voluntary transparency																																				

Note:

Yellow cells on the charts denote activity periods with red cells denoting key deliverables visible to external stakeholders.

## Improvement of TP data quality and increase in number of participating TSOs

This stage covers improvement of the static data to achieve a high-level of information consistency as well as improvement of the dynamic data to always present up-to-date information. ENTSOG will also actively promote involvement of all European TSOs in the project and will target to have all ENTSOG foundation members to upload data to the TP by the end of 2010.

In connection with the plans to improve the usability of the TP, ENTSOG has also decided to set a goal of 15,000 page views on average per month to be reached by mid-2011.

## Further development of Transparency Platform

Feedback regarding further development of the TP was sought at a transparency workshop held on 30 September 2009 in The Hague. ENTSOG understands that the primary focus should be on consolidating the TP so that it shows in particular the dynamic data for all Interconnection Points represented on the TP both in terms of history and up-to-date

information. Expectations regarding development of further functionalities will again be gauged in the spring of 2010.

### **Common European approach to implementation of transparency under Regulation (EC) 715/2009**

ENTSOG will pursue a consistent approach to the implementation of transparency requirements under 3<sup>rd</sup> energy package framework by defining a common set of deliverables as well as by actively promoting the implementation proper.

### **Coordination of and support to TSOs in implementing voluntary transparency at the national level**

ENTSOG will actively promote voluntary transparency as defined under the deliverables (see above).

## ENTSOG Project Plan

# European Ten Year Network Development Plan 2010

## Objective

Development of a non-binding European Ten Year Network Development Plan by the end of 2010 describing the foreseen developments of the European gas transmission capacities and analysing the ability of the European gas transmission network to meet the requirements of the European Gas Market.

## Deliverables

The non-binding European Ten Year Network Development Plan is foreseen to be published by the end of 2010. It should be stressed that TSOs cannot deliver on this alone, and input from other market participants will be required throughout the process. Therefore the development of the plan will be accompanied by stakeholder dialogue to seek input from market participants to the development of the required scenarios on gas supply and gas demand.

## Background

The Third Package foresees the development of a non-binding European Ten Year Network Development Plan every two years by the European Network for Transmission System Operators for Gas (ENTSOG). The first European Ten Year Network Development Plan is expected to be published by ENTSOG by the end of 2009.

The intention of the plan is to allow the development of a European picture, and identify the regions where additional capacity might better facilitate the development of the European gas market. The overall objective is to support the development of the European gas market.

The Ten Year Network Development Plan describes the foreseen developments of the European gas transmission capacities and analyse the ability of the European gas transmission network to meet the requirements of the European gas market.

It is not intended that the documents will form the basis of an investment plan for TSOs, but it may inform the debate on the regions where new transportation capacity may be required to prevent bottlenecks in order that the necessary market planning mechanisms can follow. It is likely that the plan will have the potential to be used as a means to allow potential developments to be signalled to all parties at an early stage, and through this allow parties to have the ability to understand, identify and evaluate opportunities.

Individual investment decisions are a matter for the respective TSOs and project sponsors. TSOs and project sponsors will continue to base their investment decisions according to their decision-making processes in line with the applicable European and national legislation.

The Ten Year Network Development Plan will identify the ability of the system to meet supply and demand scenarios developed in co-operation with stakeholders through reporting on capacity evolution and potential mismatches/bottlenecks based on the supply and demand scenarios. However, ENTSOG envisages that in subsequent reports more detailed work will be possible.

According to the Third Package, ENTSOG will be responsible for conducting modelling of the integrated network. ENTSOG will continue to progress network modelling in 2010. The

stakeholder dialogue will be used to also discuss appropriate modelling methods with European stakeholders.

The Third Package foresees ENTSOG conducting an assessment of the resilience of the European gas transmission system while the proposed European security of supply legislation is expected to provide further specifications in this respect. It is foreseen to start work in this area in 2010.

## Stakeholder Consultation

While most respondents to the consultation on the GTE+ work programme 2009/2010 welcomed the production of the next Ten Year Network Development Plan by the end of 2010, two respondents proposed production of the second plan in 2011 noting that the two-year interval is foreseen in the Third Package and that by this time the Agency should be in a position to formally review the plan.

ENTSOG considers that the year 2010 should be used to continue the work with stakeholders on the Ten Year Network Development Plan to further improve its value for the benefit of the European gas market. ENTSOG thinks that this work with stakeholders would best be facilitated by keeping the target of producing the next Ten Year Network Development Plan by the end of 2010.

One respondent to the consultation on the GTE+ work programme 2009/2010 proposed the development of common minimum requirements for the individual TSO's ten year network development plans. Looking at resource requirements and priorities of all ENTSOG projects foreseen for 2010, ENTSOG does – for the time being – not see a possibility to include this task in the work programme 2010 but would like to re-evaluate it in the development of upcoming work programmes.

Further detailed comments and proposals to improve the Ten Year Network Development Plan were provided by stakeholders. Among these are proposals that the Madrid Forum should play an important role in the development and management of the Ten Year Network Development Plan, that notional and post FID projects should be clearly identified, that a combination of top-down and bottom-up approaches should be applied and that there should perhaps be more recognition of demand sensitivities.

Having taking over the consultation results from GTE+, ENTSOG would like to thank respondents for their comments and would like to use the stakeholder dialogue in 2010 to discuss how they can be included in its upcoming work.

## Assumptions

As foreseen in the Third Package, the Ten Year Network Development Plan will be built on national development plans and take into account Community aspects of network planning, including the guidelines for trans-European energy networks in accordance with Decision No 1364/2006/EC of the European Parliament and of the Council.

Based on supply and demand scenarios and capacity evolutions at all major European interconnection points the European Ten Year Network Development Plan will identify the regions where new transportation capacity may be required to prevent bottlenecks in order that the necessary market planning mechanisms can follow.

The European Ten Year Network Development Plan will include the development of supply and demand scenarios with input from the relevant stakeholders. The stakeholder dialogue will be used to receive stakeholder input to these supply and demand scenarios. Stakeholder

workshops will be conducted at every major step to receive stakeholder views and to take them as far as possible into account in the reports and the following processes.

In particular ENTSOG envisages significant dialogue with stakeholders to feed into development of the detailed content of the European Ten Year Network Development Plan. This stakeholder dialogue will likely, in part, be facilitated through workshops to engage with stakeholders and identify requirements to ensure that stakeholder needs are fully reflected.

It is foreseen to reflect the capacity development projects supported by the European Energy Programme for Recovery including the reverse flow projects in the European Ten Year Network Development Plan 2010.

## Plan

Given the challenges associated with producing the European Ten Year Network Development Plan, intense stakeholder interaction is foreseen in their development. The following diagram shows the expected timeline for the stakeholder interaction on the plan development:

ENTSOG European Ten Year Network Development Plan 2010	2010											
	J	F	M	A	M	J	J	A	S	O	N	D
Stakeholder dialogue including discussion on ENTSOG modelling of the integrated network	Yellow											
Data collection		Yellow										
Stakeholder workshop	Red									Red		
Publication European TYNDP												Red

A stakeholder workshop will be organized in the beginning of 2010 to present the main results of the ENTSOG European Ten Year Network Development Plan 2009 to serve as a basis for the discussion with stakeholders on the detailed process for the development of the European Ten Year Network Development Plan 2010. Stakeholder input for the main elements to be included in the European Ten Year Network Development Plan 2010 will be sought.

In October 2010 a further stakeholder workshop will be used to discuss intermediate results and to provide guidance on the next working steps. In addition, bilateral meetings and communication between ENTSOG and European stakeholder association representatives and one or more smaller meetings between ENTSOG and delegates of European stakeholder associations will be conducted as appropriate.

ENTSOG will continue to progress on network modelling in 2010. The stakeholder dialogue will be used to also discuss appropriate modelling methods with European stakeholders.

The results of these joint efforts will be used for the production of the final European Ten Year Network Development Plan 2010 to be published by the end of 2010.

## European Summer Outlook 2010 and Winter Outlook 2010/2011

### Objective

To develop a European Summer Outlook for the summer 2010 and a European Winter Outlook for the winter 2010/2011 showing on the European level natural gas transmission capacities and natural gas consumption forecasts in peak conditions based on input from relevant stakeholders and identifying possible EU internal bottlenecks to fulfil demand under these conditions.

To include a European picture of the supply situation in the Winter Outlook 2010/2011.

### Deliverables

The European Summer Outlook 2010 and the European Winter Outlook 2010/2011 are to provide European stakeholders and market participants with:

- for the summer 2010 a consumption forecast for peak day summer conditions, using input from relevant stakeholders
- for the winter 2010/2011 a consumption forecast for peak day winter conditions under normal and exceptionally cold conditions, using input from relevant stakeholders
- information on entry capacities of gas transmission infrastructures at main European import points and LNG terminals;
- information on aggregated entry capacities from national production and storages.

An attempt will be made to develop together with European stakeholders a European picture of the supply situation in the winter 2010/2011.

### Background

The Third Package foresees the development of summer and winter outlooks by the European Network for Transmission System Operators for Gas (ENTSOG).

ENTSOG plans to develop a first European Summer Outlook for the summer 2010, to attempt developing a European picture of the supply situation during the winter 2010/2011 to be included in the European Winter Outlook 2010/2011.

The European Gas Coordination Group is working on scenarios for the assessment of consequences of supply disruptions. ENTSOG offers its support to the EU Commission and the GCG by providing its expertise in this context.

### Stakeholder Consultation

Stakeholders responding to the consultation on the GTE+ work programme 2009/2010 welcomed the development of the first European Summer Outlook in 2010 the inclusion of a supply scenario in the Winter Outlook 2010/2011.

Two respondents asked to cover the upcoming five years in the outlooks. ENTSOG would like to make aware that the Third Package defines the European supply adequacy report as part of the ten year network development plan. ENTSOG therefore foresees to cover the supply

and demand scenarios for the next five-year period as well as for the period between five and 10 years in line with the Third Package in its European Ten Year Network Development Plan.

## Assumptions

The European Summer Outlook 2010 and the European Winter Outlook 2010/2011 will be based on the respective national information provided by ENTSOG members (peak day consumption forecasts for the next summer and winter respectively; transmission capacities of infrastructures at main European import points, LNG terminals and aggregated entries from national production and storages).

An attempt will be made to develop a European picture of the supply situation during the winter 2010/2011.

It is foreseen to develop and apply specific assumptions to take into account the depletion of production fields and to refine the storage deliverability definition on the exceptionally cold peak day. Furthermore it is foreseen in the Winter Outlook 2010/2011 to work on a definition of the storage deliverability at the end of the winter.

## Plan

For each European Outlook, three phases are foreseen. The planned timing is shown in the following diagram followed by an outline of the activities foreseen in these phases.

Summer Outlook 2010 and Winter Outlook 2010/2011	2010											
	J	F	M	A	M	J	J	A	S	O	N	D
<b>Summer Outlook 2010</b>												
Data Collection and Analysis	■	■										
Presentation and Discussion			■									
Final Version				■								
<b>Winter Outlook 2010/2011</b>												
Data Collection and Analysis						■	■					
Presentation and Discussion								■				
Final Version										■		

### Phase 1: Data Collection and Analysis

The development of each European Outlook starts with the collection of the data defined above via ENTSOG Members. Data templates will be defined and distributed. The answers will be collected and evaluated. A draft European Outlook will be produced.

For the Summer Outlook this phase is expected to start in January and end in February 2010. For the Winter Outlook, this phase is expected to start in July and end in August 2010.

### Phase 2: Presentation and Discussion

The draft European Outlook will be presented to European Stakeholders. This possibly may be done on a Madrid Forum, a meeting of the Gas Coordination Group or another appropriate event involving a large number of European stakeholders. The feedback received in these events will be used to refine the work.

This phase is expected to be conducted in March 2010 and September / early October 2010 respectively.

### **Phase 3: Final Version**

The final European Outlook giving on the European level an overview of transportation capacities and consumption forecasts in peak conditions and identifying possible EU internal bottlenecks to fulfill demand under these conditions will be produced.

The final version is foreseen to be produced by April 2010 and October 2010 respectively.

In 2010 an attempt will be made to develop together with European stakeholders a European picture of the supply situation during the upcoming winter and to include this in the European Winter Outlook 2010/2011.

## ENTSOG Project Plan

### Balancing

#### Objective

The objective of ENTSOG's Balancing work is to support TSOs in their transition towards market-based balancing regime, in preparation for compliance with the Regulation (EC) No. 715/2009 repealing Regulation (EC) No. 1775/2005.

The second objective is to prepare for the process of development of Framework Guidelines and the respective codes, so when this process will be initiated by the respective body, the TSOs can react fast and coherently. To ensure this, ENTSOG will engage in a transparent and steady dialogue with the European regulatory body and their stakeholders.

#### Deliverables

##### Report on Market-Based Balancing Rules

This report aims at substantiating the concept of market based balancing rules, starting from an initial definition formulated by ENTSOG. The main questions driving the analysis are:

- What are market-based balancing rules?
- What is the rationale for them and what is the importance of market-based balancing rules for network user?
- What are the circumstances that allow a regime based on market-based rules to work effectively and efficiently?

The results of this elaboration will be submitted to stakeholders – including organisations representing network users, large industrial end consumers, power producers and gas infrastructure operators - for consultation and the outcomes of this process will be used as input for the final report.

The views adopted by ENTSOG will form the basis for work on the other deliverables.

##### Set of objective criteria on which the design of balancing rules shall be based

A second report will be dedicated to the identification of objective criteria for designing market-based balancing rules in a fair, non-discriminatory and transparent manner. Those objective criteria should allow TSOs to design balancing rules that take into account genuine system needs and resources available to the TSO and looking forwards to market needs in 2012 and beyond.

The report on objective criteria will address issues or opportunities arising from the interaction between neighbouring gas balancing markets, as well as interactions between gas and electricity markets and give initial thoughts on regional markets.

##### Assessment of balancing models and legal frameworks in use

The third deliverable is a study of the possible barriers to the implementation of market-based balancing rules (i.e. national law and regulation, market conditions, physical and geographical constraints, transit etc).

Future developments of network codes can then build on these deliverables.



### **Major element/phase (1) of Project: market based balancing rules**

To get a better understanding of 'market based balancing rules':

- Identify the rationale behind and preconditions for market based balancing rules
- Identify the characteristics of market based balancing rules
- Identify necessary conditions allowing the introduction of market based balancing rules

To consult with market and stakeholders on characteristics of market based balancing systems.

### **Major element / phase (2) of Project: Objective design criteria for balancing rules**

The regulation states that balancing rules shall be designed based on objective criteria and that the rules shall reflect genuine system needs taking into account the resources available to the TSO. In addition, the market has indicated that balancing rules cannot be designed in national isolation and should also take the market needs into account, looking forward to 2012 and beyond.

To determine a set of criteria that allows TSOs to assess whether their design is compliant with the proposed 'market based' balancing, as defined in the legislation.

### **Major element / phase (3) of Project: Analyse transition towards market based balancing rules**

To determine to what degree currently applied balancing rules are so far market-based and to investigate possible ways for transition towards market-based rules.

## ENTSOG Project Plan

# Harmonisation of Maintenance Publication

### Objective

To determine the process which will lead to reliable and sufficient information related to planned maintenance being published in a systematic and timely and non-discriminatory manner to all stakeholders for all European cross-border interconnection points.

Thanks to this code, the publication of information regarding the planned maintenance will be harmonised, simplifying and facilitating gas transmission at European level.

### Deliverables

Based on an overview of the current practices amongst the GTE members, a minimum set of recommendations has been identified by the GTE Business Rules sub-Working Group, and a process has been drawn up which leads to a maintenance program being published on the TSOs public website.

A workshop shall be organized in March 2010 to take market participants' suggestions into account, with a view to elaborating a code by June 2010.

The key deliverable is that market participants will be provided with a synchronized planning of works and interventions that might have an impact on the physical flows at European cross-border interconnection points. The planning shall be standardized so that the same piece of information is published for all such interconnection point (Installation or IP concerned, nature of works, timing, impact).

### Background

It has been recognized that even though information is already made available by individual TSOs on their website, market participants may still face difficulties when wanting to transport gas across Europe due to differences in the handling of maintenance publication (e.g. timing, means of communication) applied across the European network.

ENTSOG is fully committed to improving the maintenance publication and is of the view that TSOs, in their role of market facilitators, are best placed to facilitate the communication around planned maintenance to their networks by, among other things, making the various information available in an organised and structured way.

For sake of clarity, it should be noted that the aim of the project is not to harmonise maintenance as such

### Assumptions

The project is mostly based on information that is either already published by individual TSOs on their websites (or alternatively Bulletin Board) or issued to the market participants by any other means.

For most TSOs, maintenance is a matter that is covered within their respective network codes; ENTSOG assumes that National Regulatory Authorities will endorse the resulting code

and require its implementation on a national level in order to avoid disparities in the different transmission systems across Europe.

Because market participants have recently voiced concerns about the information related to maintenance in the framework of transparency related issues, ENTSOG expects an active participation of all stakeholders to the workshop.

## Plan

The following diagram shows the expected timeline for this project:

Harmonization of Maintenance Publication	2009												2010											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Identification of existing practices through questionnaire	■																							
Draft a minimum set of requirements		■	■	■	■																			
Draft a process which enables TSOs to streamline planned maintenance publication		■	■	■	■																			
Workshop with Stakeholders																								
Organize workshop														■	■	■	■							
Presentation and discussion with Stakeholders															■	■	■	■						
Development of the Code																■	■	■	■					

(yellow cells indicate activity periods, red cells denote the end of an activity and/or a deliverable being available)

### 1st phase

The 1<sup>st</sup> phase covered the gathering of information on the current practices with regards to maintenance publication GTE Business Rules sub-Working Group. To do this, a questionnaire has been sent to the GTE members in 2008, to which 15 TSOs have responded.

### 2nd phase

Data from the questionnaire has been collected and analysed in order to determine common requirements and to draft a process in order to streamline the publication of planned maintenance.

The 2<sup>nd</sup> phase will mainly focus on the feed-back from the Stakeholders, which will be collected through a workshop to be organized in March 2010.

Participants to the workshop shall be given the opportunity to comment on both the minimum set of requirements and the proposed process.

### 3rd phase

The 3<sup>rd</sup> phase will consist in developing and validating a final version of the Code on harmonisation of the maintenance publication, ideally by June 2010.

## ENTSOG Project Plan

# IT and Communications Roadmap

### Objective

To develop an IT and Communications roadmap providing an EU wide IT development and guidance plan on IT communication standards, protocols and adoption principles in cooperation with other European stakeholders.

### Deliverables

ITC Roadmap document.

Data exchange and principles statement.

Technical solutions framework: externally visible deliverables shall include the establishment of the IT Solutions Adoption & Implementation Group and Version 1.0 of the Data & Solutions Handbook.

Position paper for IT and communications in a future Interoperability Code.

### Background

The Third Package gives an added impetus to the increasing liberalisation of the European gas market and on the cooperation and coordination of TSOs in the operation of their systems.

The exchange of data is a fundamental aspect in all areas of cooperation. In addition, the development of agreed common standards and protocols for exchanging data has an important role in both facilitating interoperability amongst interconnected networks and in the development of a European market for gas.

The lack of coordination in IT related matters and the inconsistent adoption of existing voluntary common business practices provides a strong driver to deliver an EU wide guidance plan on IT and communications amongst gas transportation stakeholders.

The aim of the Roadmap is to address these issues and to facilitate the development of new communication standards and protocols and the adoption of existing ones where appropriate. It also anticipates that IT and communications shall be considered in a future Interoperability Code.

It is recognised that these standards and protocols should be developed jointly by all stakeholders but that the new ENTSOG could have a key role in facilitating their adoption and implementation.

Over the last year GTE+, the pre-ENTSOG transitional body, has undertaken a process of engagement with the wider stakeholder community in order to move towards a coordinated approach in the development of common technical solutions involving the electronic exchange of data.

An approach to the contents of the Roadmap has now been developed, including a Technical Solutions Framework that shall detail the processes and structures required to deliver the aims of the Roadmap.

This proposal provides the timetable for the development of the Roadmap and the establishment of the required processes and structures to deliver its aims.

## Assumptions

ENTSOG is established by end of 2009.

A trial of the Code development process begins at the start of 2010 requiring the support structure to identify technical solutions for the exchange of data to be in place by the middle of 2010.

Stakeholders are fully engaged and feel fully consulted with concerning the solutions development and implementation processes.

## Plan

The following diagram shows the expected timeline for this project:

IT and Communications Roadmap	2009												2010											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Development of Roadmap document	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Development and approval to Roadmap approach	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Consultation on draft Roadmap																								
Delivery of Roadmap																								
Development of Data exchange & Criteria Principles Statement																								
Memorandum of Understanding between TSOs																								
Establish IT Solutions Adoption & Implementation Group																								
Develop "terms of reference"																								
Finalise adoption and implementation processes																								
Group established																								
Development of ENTSOG Data & Solution Handbook																								
Develop structure and content																								
Create Handbook version 1.0																								
Position paper on role of ITC in an Interoperability Code																								

(Yellow cells on the charts denote activity periods with red cells denoting key deliverables visible to external stakeholders.)

## Development of Roadmap document

The Roadmap is due for completion by January 2010. The drafts of the Roadmap document will be shared with stakeholders for comment.

## Development of the Data Exchange and Criteria Principles Statement

This shall be a short document containing a series of agreed principles regarding the provision and use of data between relevant parties to enhance interoperability between operators and to facilitate the development of a European market for gas. The document is due for completion by April 2010 and will be supplied to the Commission, regulators and stakeholders for comment. These principles shall be used as a guide in the development of Codes and in the adoption of approved technical solutions for the exchange of data.

### **ENTSOG Data and Solutions Handbook**

This handbook shall contain the solutions officially recognised by the ENTSOG for the electronic exchange of data. The structure and nature of the contents shall be agreed over the coming year with the first version of the Handbook being published by December 2010.

### **Establish ENTSOG IT Solutions Adoption and Implementation Group**

This group shall consider proposals for inclusion in the Data and Solutions Handbook and shall consider practical aspects as to how to support the implementation of approved solutions. The terms of reference for this group shall be developed and finalised by March 2010. The actual processes for adoption and implementation support shall be considered over the same time frame with the Group being active in June 2010 to begin work on the creation of the Handbook.

### **Position paper on IT and Communications in a future Interoperability Code**

The aim of this document is to reflect an ENTSOG position on the role of IT and Communications in a future Interoperability Code. Its function is to reflect ENTSOG's views in anticipation of both the Commissions priorities for Interoperability and the associated Framework Guideline. The ultimate goal is that when the time comes for ENTSOG to formally commence its work in developing a Code in this area it already has a fairly settled list of proposals to put out to consultation on how to tackle this challenging area.

### Part 3 ENTSG establishment and membership list

ENTSOG's Articles of Association and Rules of Procedure were supplied to the Commission and ERGEG during October 2009.

TSOs subsequently established ENTSOG in Brussels on 1 December 2009. Further details including ENTSOG's Articles and Rules are available on the website [www.entsog.eu](http://www.entsog.eu).

The 31 foundation members from 21 countries (as they appear in the foundation deed) are:

Company	Country
Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H	Austria
OMV Gas GmbH	Austria
Trans Austria Gasleitung GmbH	Austria
Fluxys	Belgium
Bulgartransgaz EAD	Bulgaria
RWE Transgas Net, s.r.o.	Czech Republic
Energinet.dk	Denmark
Gasum Oy (Gasum Corporation)	Finland
GRTgaz	France
Total Infrastructures Gaz France	France
E.ON Gastransport GmbH	Germany
GasUnie Deutschland Transport Services GmbH	Germany
Ontras - VNG Gastransport GmbH	Germany
Thyssengas GmbH	Germany
Wingas Transport GmbH & Co. KG	Germany
Hellenic Gas Transmission System Operator S.A. (DESFA S.A.)	Greece
FGSZ Naturel Gas Transmission	Hungary
Gaslink Independent System Operator Limited	Ireland
Edison Stocaggio SpA	Italy
Snam Rete Gas S.p.A.	Italy
Creos Luxembourg S.A.	Luxembourg
Gas Transport Services B.V.	Netherlands
OGP Gaz-System S.A.	Poland
REN – Gasodutos	Portugal
eustream, a.s.	Slovakia
Geoplin plinovodi d.o.o.	Slovenia
Enagás S.A.	Spain
Svenska Kraftnat (Affärsverket svenska kraftnät)	Sweden
Swedegas AB	Sweden
Interconnector (UK) Limited	United Kingdom
National Grid Gas plc	United Kingdom

ENTSOG has established an initial Management Board of 12 as follows:

Name	Company
1. Mr. Ralph Bahke	Ontras - VNG Gastransport GmbH
2. Mr. Torben Brabo	Energinet.dk
3. Mr. Francisco Pablo de la Flor García	Enagás S.A.
4. Mr. Philippe Garnier	GRTgaz
5. Mr. Wim Groenendijk	Gas Transport Services B.V.
6. Mr. Stephan Kamphues	E.ON Gastransport GmbH
7. Mr. Dimitrios Kardomateas	Hellenic Gas Transmission System Operator S.A. (DESFA S.A.)
8. Mr. Paolo Mosa	Snam Rete Gas S.p.A.
9. Mr. Vladimir Outrata	RWE Transgas Net, s.r.o.
10. Mr. Walter Peeraer	Fluxys
11. Mr. Graeme Steele	National Grid Gas plc
12. Mr. Harald Stindl	OMV Gas GmbH

Other TSOs are expected to join shortly.