

## MINUTES

### ENTSOG Interoperability and Data Exchange Rules Network Code kick off WS

26 Sep 2012, 10:00 – 16:00

at ENTSOE Conference Centre, Av. de Cortenbergh 100

Company	Name	Company	Name
ENTSOG (chair)	Panousos Panagiotis	FGSZ	Fehér Róbert
ENTSOG	Van den Brande Michel	FGSZ Ltd.	Kuszka Szilárd
ENTSOG	Reisner Martin	Fluxys Belgium	Beelen Karl
ENTSOG	Regan Noel	FŐGÁZ/GEODE	Varga Eszter
ENTSOG	Pollex Hendrik	Gas Transport Services	Beukema Klaas
ENTSOG	Kaldonek Monika	Gaslink	Egan Avian
ENTSOG	De Keyser Jef	Gassco	Hauge Jan
ENTSOG	Marchi Cecile	GasTerra BV	Meeuwis Peter
ACER	Querrioux Thomas	GAZ-SYSTEM S.A.	Woźniak Artur
Alliander	De Wit Paul	GDF SUEZ	Martinaud Jean- Louis
BOG *	Rechberger Peter	MARCOGAZ	Cagnon François
Bundesnetzagentur	Heidelberger Johannes	GDFsuez *	Coupaye Noel
Bundesnetzagentur	Albrecht Elena	GIE	Palada Philipp
Cedec/Alliander	Gottmer Joost	GRTgaz Deutschlad *	Abiska Melek
Consultant	von Burchard Friedrich	IFIEC *	van de Worp Jacques
CRE	Mathieu Carole	IFIEC Europe	Hoehn Valentin
CREG	Van Hauwermeiren Geert	IUK *	Dhesi Pavanjit
DEPA S.A.	Schina Maria	National Grid *	Hobbins Phil

DEPA SA	Bikos Stelios	National Grid	Hamilton Colin
EC	Vermeeren Ruben	NET4GAS	Prokes Ondrej
EconGas GmbH	Sidak Christian	ONTRAS	Adler Ina
E-Control	Szeles Zsuzsanna	Open Grid Europe	Danker Christian
EDF	Mezlef Nabil	Peter Taff	Taff Peter
EFET	Sleeuwagen Filip	PGNiG	Kubala Ewa
ENAGAS GTS, S.A.U.	Cortizas González-Criado Elena	Pöyry Management Consulting	Paxton Angus
Enagás, S.A.	Meixús Tania	SNAM	Nicolosi Lorenzo
Energinet.dk *	Holst Johnny	Storengy Deutschland GmbH *	Thomas Inga
Energy Solutions	Basso Giuliano	Swedish Energymarketsinspektionen	ter Bruggen Björn
eni	Rossi Simone	SWISSGAS	Gubler Michael
EU Commission	Rossodivita Aurora	TAQA Energy	Maaskant Robert Jan
EUROGAS	Loudon Margot	Thüga AG	Deuschle Thomas
EUROMOT	Zepf Paul	TIGF	Aguila Guillermo
eustream, a.s.	Macak Jaroslav		Schurink Hein-Bert
ExxonMobil / OGP	Bouwens Kees		

\* Webcasting

## 1. Opening (P.Panousos) (10:00 – 10:15)

Mr Panagiotis Panousos, Business Area Manager System Operation and Interoperability Project Team Manager, thanked all stakeholders for their participation and encouraged them to continue their constructive engagement throughout the whole Network Code Development Process. Mr Panousos presented the tasks, structure, mission and vision of ENTSOG and also introduced the team of ENTSOG Advisers, who will be facilitating the development of the Network Code on Interoperability and Data Exchange Rules.

## 2. ACER view on Framework Guidelines/Initial Impact Assessment (ACER: G. Van Hauwermeiren and T. Querrioux, ACER) (10:15 – 11:15)

Mr Thomas Querrioux presented ACER's structure and gave more details about the process of drafting Framework Guidelines (FG) and Initial Impact Assessment. The Impact Assessment is to be completed by ENTSOG, ACER calls upon the participants to provide quantifiable evidence. Mr Geert Van Hauwermeiren gave more detailed reasoning and explanation on the six issues included in the final Framework Guidelines and informed about the public consultation results on FG. Mr. Van Hauwermeiren informed the

audience that it is still unclear whether Capacity Calculation shall have to be handled within this Network Code or if EC will introduce it directly to the comitology process through the CAM NC.

Q: How did ACER take into account the influence that the Network Code will have on downstream operators, particularly on the issue of data exchange?

A: When assessing the most appropriate policy option, the task force gathered the pros and cons. The arguments in favour of a single Data Exchange format seemed to outweigh the drawbacks. However, realising that this FG would have an impact on downstream operators, the ACER TF specified that the choice of a Data Exchange solution should be based on various criteria, including the compatibility with other existing solutions.

Q: Do you envisage ENTSG to give detailed description of the gas quality parameters during Network Code process drafting?

A: No, the development process of harmonised parameters is out of scope (EC gave mandate to CEN for gas quality standardization) and the only link with the end-customers is short term monitoring – informing about gas quality variations.

Q: How efficient can harmonisation on a pan European level be when there are already regional solutions developed which facilitate cross-border flows?

A: All issues identified in the FG could be harmonised on a European level. Actually, operational problems are solved locally in an appropriate way by the TSOs concerned, but the Framework Guideline/Network Code development process gives an opportunity to draft rules in order to harmonise solutions on a European level. The policy options chosen do not imply strong technical harmonisation but are proportionate to the problem identified. Gas Quality is a good example to indicate that the real barrier was identified as not to be fully technical, but more a transparency problem with a lack of gas quality variation information.

Q: Does ACER foresee a role for NRAs in case TSOs don't come to terms, when a solution concerning gas quality at cross-border IP is required? What are the criteria for TSOs to make this assessment?

A: The FG guideline foresees a dispute settlement process in such cases, which will be dealt with on a case-by-case basis. However, FG will mainly focus on transparency issues in case of gas quality.

### **3. Project Plan Presentation and Network Code Development Process (ENTSOG: M. Van den Brande) (11:35-12:05)**

Mr Michel Van den Brande presented the Project Plan for the Interoperability and Data Exchange Rules Network Code Development Process with an overview of the different steps in the process, the opportunities for Stakeholders' involvement and the foreseen deliverables and project planning. Mr Van den Brande informed that the Interoperability team will follow the same open and transparent process as ENTSOG did for the NC CAM and NC Balancing with a lot of Stakeholder involvement. ENTSOG welcomes stakeholders to give their participation level by responding to the project plan in the public consultation phase (closing date: 11 Oct). Mr Van den Brande informed that in the process there are foreseen 3 Stakeholders Joint Working Session (SJWS) and two additional workshops (one during the public consultation process and a second one set up as a conclusion workshop).

Q: How does ENTSOG intend to involve stakeholders in the further process of the Impact Assessment development?

A: ENTSOG foresees to draft a supporting document together with the draft Network Code. A rationale for the decisions taken in the Network Code Development Process will be included in this supporting document. A 2-month Public Consultation will be organised on the draft Network Code and supporting document to seek for Stakeholders' feedback.

Q: Is ENTSOG going to publish materials that will be presented on today's workshop?

A: ENTSOG will publish the presented materials, and minutes of the workshop, including the participants list, on the website.

### **4. ENTSOG general views on NC (ENTSOG Interoperability Team) (12:05-12:45)**

The Interoperability Team gave first views on the identified issues in the FG. Mr Van den Brande gave an overview of the key messages. ENTSOG foresees this development process to be a transparent one with a lot of stakeholder involvement. There will be also room for cooperation with the "Third Countries" TSOs. This Network Code will be the first more technical code and focuses on TSO – TSO cooperation. The Network Code will establish rules applicable by TSOs and these rules could give inspiration for further development of national codes for other Infrastructure Operators. Capacity Calculation is still unknown if it will be tackled in this Network Code. In relation to Gas Quality the standardisation work has to be done by CEN. It was indicated that a 12 month implementation period is very challenging and in some cases (e.g. data exchange) it may be more appropriate to develop a migration path to a common solution.

The Interoperability team gave Issue by issue an overview of initial thoughts to open the debates for further Stakeholders' input. The team mentioned that throughout the process stakeholder input and experience is needed.

Q: Does ENTOSOG foresee one Interconnection Agreement (IA) for each IP or is it conceivable that two TSOs have only one IA for two IPs when operated by the same TSOs? Why do responsibility issues regarding gas quality remain in national rules?

A: There are a lot of parameters that are specific for different IP, so it can be only possible if all conditions will be the same at each of the IPs. Concerning the responsibility issue, it is in most of the cases already defined in the national network codes and it is not in the scope of the FG.

Q: Will Interconnection Agreement be made available to Network Users? Will OBA be made mandatory?

A: It is an issue that can be discussed during the process (SJWSs) but it is not foreseen in the FG. Whether OBAs should be made mandatory as a default rule, has to be discussed amongst all stakeholders.

Q: Will the rules of the NC become binding for the TSOs? How does ENTOSOG cooperate with EASEE-gas?

A: The Network Code will become binding for EU Members. There is already a close cooperation between EASEE-gas and ENTOSOG and ENTOSOG takes the existing CBPs into consideration during the drafting process of the NC.

Q: Does ACER consider it would be reasonable that TSOs could have some flexibility about where the rules are implemented (either in national codes or in Interconnection Agreements) provided they are covered somewhere?

A: The national rules should be in line with the European Rules and this particular topic focuses on IPs.

Q: What will be the level of detail in case of data exchange? Will you ask stakeholders what level of details should be covered in the NC?

A: The aim is to give as much detail as needed to define proper communication procedure, but to avoid a too detailed description of the process as this differs from business to business. The business specific elements cannot be included in the general network code for data exchange.

## 5. Stakeholders' general views on NC (10' per Stakeholder) (13:45-15:30)

### 5.1. CEDEC + EUROGAS DSO (P. De Wit)

Mr Paul de Wit gave first views and comments from a DSOs perspective. EUROGAS DSO and CEDEC foresee DSOs involvement in the parts of gas quality, odourisation and data exchange rules.

### 5.2. EASEE-gas (P. Meeuwis)

Mr Peter Meeuwis presented the position of EASEE-gas in the process. EASEE-gas has already developed Common Business Practices (CBP) on operational issues and close cooperation with ENTSG during the Network Code development process is crucial.

Q: Do you have any practical example when there are (dis)advantages in case default rules are defined for an Interconnection Agreement?

A: No, this is more a commercial case e.g. in case of given capacity by both TSOs at IP and choosing an OBA as a default rule will prevent TSOs from negotiation.

Q: How is the internal approval process organised within EASEE-gas?

A: Most of the time all the papers are discussed within the Executive committee and then it is being discussed within the members' area.

Q: Can you give an update of the implementation status of CBPs by the members? What is the reason for delays in implementation and how do you foresee the interaction between ENTSG and EASEE-gas?

A: EASEE-gas is checking implementation of CBPs by releasing survey. The results of latest survey are not yet available. Most of the issues in the Network Code are compliant with CBPs. EASEE-gas is discussing if the currently used CBPs should be deleted and replaced by the binding rules in the NC. Maybe new CBPs for other areas of the business should be defined.

Q: Can you give more details about challenges regarding capacity calculation in case of unbundled capacity at an IP?

A: For example for data exchange: it should be answered how nominations will be sent in case of (un)bundled capacities – in one or more messages.

### 5.3. EFET (F. Sleeuwagen)

Mr Filip Sleeuwagen presented traders first views on Network Code.

Q: Most of the contractual arrangements states that shippers are responsible for gas quality and you propose that TSOs should take this responsibility. Do you have any proposal how to incentivise TSOs so that they become responsible for gas quality issues?

A: From a trader's perspective making TSOs responsible for gas quality is a reasonable way to collaborate on the market, but of course legal conditions do not state the same and it is hard to get a common position in that case.

Q: Why do you see making capacity calculation as challenging?

A: Traders foresee TSOs as the best parties to perform capacity calculations, but it should be more transparent to the traders to facilitate a better transit for transactions. It does not influence capacity calculation, but transparency and efficiency of the trading process.

Q: What do you mean by gas quality conversion rules?

A: A lot of parameters are used in different markets and they should be harmonized to convert one unit into another which could be summarized in a standard conversion table.

#### 5.4. GEODE (E. Varga)

Mrs Ester Varga presented GEODE views on Network Code. It was indicated that there is a direct interaction between TSOs and DSOs concerning the following issues: units, gas quality, odourisation, data exchange and indirect interaction for the issues IA and Capacity calculation.

#### 5.5. GIE (P. Palada)

Mr Philipp Palada gave the view on the network code from the SSOs and LSOs perspective. In GIE's opinion the Network Code has to focus on rules applicable for TSOs. Defining rules for other Infrastructure Operators goes beyond the scope of the Third Energy Package.

Q: What is GIE opinion on gas quality within Europe?

A: If there will be one standard as wide as technically possible within Europe, gas once accepted at entry point should be further accepted at all exit point.

Q: Do you see why IPs with SSOs and LSOs should be different from IPs between TSOs?

A: In case of SSOs and LSOs the situation is more complex than in case of TSOs and there might be more information needed to be exchanged in these processes.

#### 5.6. IFIEC (V. Höhn)

Mr Valentin Höhn presented the views of IFIEC.

Q: In the wish list of the parameters why does mercury not appear? Pöyry also indicated that values in the presentation are not from the latest version of the report and that the new versions published by EC can give proper understanding of potential cost of harmonisation.

A: IFIEC will ask for the reason why mercury is not on the list of their members.

Q: What do you mean by unpredictable flows?

A: Not unpredictable gas flows but rapidly changing gas flows.

Q: To what extent will you prefer to get warnings about gas quality variations instead of changing standard parameters?

A: One common standard is the best solution, but as this is now not available an early warning process can be developed during the Network Code Development Process.

Q: Will you give the reasons for each parameter why you want to get gas quality variation information?

A: IFIEC is going to give detailed and proper reasoning.

#### 5.7. MARCOGAZ (F. Cagnon)

Mr François Cagnon gave a presentation of MARCOGAZ' general views and comments.

Q: What is the cooperation between CEN and ENTOSOG on gas quality issues?

A: CEN is responsible to define the standard for natural gas and biomethane quality. Standardization is out of scope of the actual Network Code.

Q: Marcogaz has performed a survey on odourisation issues, is this an update of the survey from 2006?

A: It's an update with complementary elements such as: more items, more countries and impact on cross border flows.

#### 5.8. OGP (K. Bouwens)

Mr Kees Bouwens presented general views of gas producers.

Q: Given that there are costs for the conversion of gas quality, who should pay for this, the interested counterparties or should they be socialised?

A: Gas should not be converted, but it should be traded as an asset no matter what the gas quality is.

Q: Is there any common position if the "handbook idea" should be used in case of data exchange?

A: EC is still studying this issue from a legal point of view and as soon as there is a common position ENTOSOG will be informed.

#### **6. Closing remarks (ENTSOG: P. Panousos) (15:45-16:00)**

Mr Panousos thanked once again for the participation. Mr Panousos stated that different opinions, sometimes even conflicting ones, have been exchanged and that they have to be further discussed and evaluated during SJWS's. Stakeholders were once again encouraged to give their answers to the public consultation on the project plan and define their level of participation in the process. Mr Panousos informed the participants that the Launch Documentation will be published mid-October and it can be used for further inspiration for the forthcoming SJWS's. Stakeholders were encouraged also to contact ENTSOG and to ask for bilateral meetings when it is needed. All the materials and minutes of meeting, including attendance list will be published on ENTSOG's website as soon as possible.

#### **To do list**

- Respond to the project plan on stakeholder involvement in the public consultation phase (closing date: 11 Oct)