

## *Press Release*

### *ACER and ENTSOG publish their Joint Policy Paper with recommendations to mitigate misconduct in EU gas balancing markets*

(Brussels, 10 February, PR0232-21) **The EU Agency for the Cooperation of Energy Regulators (ACER) and the European Network of Transmission System Operators for Gas (ENTSOG) have jointly published a policy paper with recommendations to mitigate potential misconduct in EU gas balancing markets. This paper incorporates the feedback received in the public consultation held between 21 September and 3 November 2020.**

This policy paper includes recommendations related to good practices for ex-ante monitoring checks on balancing and creditworthiness, and cross-border exchange of information. It also includes good practices currently implemented for proactive measures, and the possibility for reactive measures in case of balancing misconduct identified in another Member State.

The policy paper refers to the following key proactive measures to improve the correct functioning of the market:

- **Follow-up the creditworthiness of the network user** to ensure that sufficient financial safeguards are available.
- **Implement “Know your customer” and “due diligence” policies** to screen obviously fraudulent market participants and remove them from the sales ledgers.
- **Exchange of information** at a cross border level amongst balancing operators, ACER, national regulatory authorities and ENTSOG to share intelligence early on about misconduct cases.

The policy paper equally highlights the reactive measures with immediate outcome to recover the damage caused or stop its proliferation:

- **Notify and/or drawing guarantees** of the network user in case of misconduct.

- **Impose partial restriction** to the participation of the network user in the market (nominations restrictions, capacity reservation restrictions).
- **Suspend the network user's contract** or the possibility of the withdrawal of licence.

The paper will inform the current European regulatory framework on potential amendments to the [Balancing Network Code](#). In particular, the paper underlines the provisions of the Balancing Network Code on neutrality principles, that effective actions in a proactive and reactive way should take place to prevent losses due to balancing misconduct.

The policy document and link to the responses to the public consultation are available on the ENTSOG website, [here](#).

Should you require any further information please contact Carmel Carey (+32 2 492 454 629, [ENTSOG.Communications@entsog.eu](mailto:ENTSOG.Communications@entsog.eu)).

#### **Editorial notes**

**European Network of Transmission System Operators for Gas (ENTSOG)** was founded on 1 December 2009 in line with Regulation (EC) 715/2009 to promote the completion of the internal market for gas by facilitating cooperation between national gas transmission system operators (TSOs) across Europe and in line with European Union energy goals. More information can be found on the ENTSOG website – [www.entsog.eu](http://www.entsog.eu). The current number of Members, Associated Partners and Observers can be found at [www.entsog.eu/members](http://www.entsog.eu/members)