

Conclusions from the Public Consultation on the Project Plan for the Balancing Network Code

Note: This report covers ENTSG's analysis of responses and does not indicate any assessment of ENTSG's view as to the final network code proposal. The opinions expressed in this document are those of respondents to a BAL NC consultation and those of ENTSG as regards the process to apply, rather than the content of, the network code.

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Introduction

On the 26th of October 2011, ENTSOG held a kick-off meeting to describe its Balancing network code Project Plan to stakeholders. It informally started the Project Plan on the 1st of November 2011.

On the 4th of November 2011, ENTSOG received the European Commission's invitation letter to draft a network code on gas balancing¹) and therefore commenced on the 4th of November the formal² consultation process.

This report summarises the consultation responses received. It is intended to provide an accessible summary of the views on the issues raised in the consultation responses and could be read in conjunction with the full responses, which are available on the ENTSOG website³.

Overview of consultation responses

ENTSOG received 38 responses to the consultation, none of which were marked as confidential. The consultation respondents are listed in Annex I.

The stakeholder participant count, however, differs from the number of respondents as, separately to the consultation, a number of stakeholders communicated their intended level of participation in the BAL NC development process.

ENTSOG notes, and welcomes, that some regulators plan to attend ENTSOG's workshops and Stakeholder Joint Working Sessions (SJWSs). ENTSOG looks forward to ACER co-ordinating their involvement, so that an ACER view can be expressed to best facilitate the network code development process.

Stakeholder level of participation

Regulation (EC) 715/2009 requires that ENTSOG shall "conduct an extensive consultation process, at an early stage and in an open manner, involving all relevant market participants". ENTSOG proposes to go beyond this and invited all stakeholders to indicate their intended level of participation, so that ENTSOG will be able to manage the logistics of the process.

Stakeholders were asked to express their intended level of participation as presented in the table below.

¹ European Commission, ENER/B2D(2011), Ref. Ares(2011)1173099 - 04/11/2011.

² ENTSOG, BAL092-11.

³ See http://www.entsog.eu/publications/index_g_balancing.html

Level	Description	Comments
1	Prime Mover	Committed to work on a bilateral basis and dedicate a lot of resources to assist formulate and evaluate/refine ideas/proposals for SJWS consideration – commitment to be intensive and involving many days during intensive phases of the network code development
2	Active SJWS Participant	Expected to attend all SJWS and to read and review all material prior to meetings and to be prepared to explore detail within the SJWS – commitment of around 3 days per month during intensive period of activity
3	Consultation Respondent	Will respond to consultations
4	Observer	Expected not to actively contribute to the development effort or to participate in the formal consultations

A total of 53 stakeholders expressed their interest in participating in the BAL NC development process.

Where a stakeholder indicated that it would be interested in participating on more than one level depending on availability, ENTSG has assigned the highest level of participation indicated. Participants could update their level of participation in the course of the project by contacting ENTSG accordingly⁴.

The number of stakeholders in each participation category (as of 28 November 2011) is as follows:

Prime Movers

The following stakeholders have expressed interest to ENTSG to be engaged in the process as prime movers:

Participant	Organisation and/or company	Name(s)
1	CEDEC: Enexis	Rene Luijten
2	EFET: EON	Gunnar Steck
3	eurogas: Alliander	Paul de Wit
4	Florence School of Regulation, EUI	Miguel Vazquez; Michelle Hallack
5	GdFSuez	Claude Mangin
6	OGP Europe: Esso Nederland/ExxonMobil; Statoil	Kees Bouwens; Christiane Sykes
7	RWE Essent	Rainier Stolk
8	RWE Supply & Trading	Steve Rose

⁴ For any question or communications on the commitment/participation level, please contact Ruud van der Meer at ruud.vanderMeer@entsog.eu or +32 (0)28945108.

Active SJWS Participants

The following stakeholders have signalled interest to ENTSG to be engaged in the process as Active SJWS Participants :

Participant	Organisation and/or company	Name(s)
1	Alliander (CEDEC member)	Joost Gottmer
2	Bord Gais Energy	Dermot Lynch
3	BP Gas Marketing	Andrew Pearce
4	Bundesverband Neuer Energieanbieter	Dr. Thies Clausen
5	CEFIC: VCI, Borealis	A. Kronimus; M. Beitke; L. Stalmans
6	Centrica	Helen Stack; Mike Young
7	Econgas	Christian Sidak
8	E-Control	Ronald Farmer
9	EDF	Anne-Elisabeth Moquet
10	EDF Energy	Sebastian Eyre
11	Edison	Maria Elena Fumagalli
12	EDP Group	Ana Pinto; Juan Redondo
13	EnBW Energie Baden-Württemberg	Christian Nitsche; Dr. Andreas Holzer
14	ENI	Valentina Garruto; Francesca Zanella
15	ESB (Electricity Supply Board)	Jagtar Basi
16	EURELECTRIC	Sébastien Doligé
17	eurogas Distribution Committee: 7-member delegation	9-person delegation
18	Europex	Aude Filippi
19	Gasterra	Teun Tielen
20	GdF SUEZ Infrastructures Branch/DSDR	Rafael Del Rio; Noel Coupaye
21	GEODE	Christian Thole
22	GIE	Philipp Daniel Palada; Gaston de Lahitte
23	IFIEC: VIK; Yara; Chemical Industries Association	V. Höhn; S. Solheim; G. Davies
24	NL Ministry of Economic Affairs	Wim van 't Hof
25	POWEO	Sebastien Chiffaut
26	RWE Supply & Trading	Ralf Presse
27	Utility Support Group	Dirk Jan Meuzelaar
28	IFIEC Europe	Vepa Nazarov
29	GrDF	Charlotte Patrigeon

Consultation Respondent

The following stakeholders have signalled interest to ENTSG to be engaged in the process as consulting respondents:

Participant	Organisation and/or company	Name(s)
1	APX-ENDEX	Nicolas Pierreux
2	Trans Adriatic Pipeline (TAP)	Cristiano Francese
3	ANIGAS	Luciano Baratto
4	Enel	Edoardo Settimio
5	Energia	Derek Scully
6	Gas Storage Nederlands: Gasunie Zuidwending	Arjen Wesseling
7	Association of Electricity Producers	Julie Cox
8	IBERDROLA	Rafael Del Rio
9	Sorgenia	Valentina Giust
10	SGT EUROPOL GAZ SA	Piotr Podworski
11	VKU (also CEDEC rep.)	Christian Richter; Falk Engelmann
12	EDF Luminus	Bram De Wispelaere

Observer

The following stakeholders have signalled interest to ENTSOG to be engaged in the process as Observers:

Participant	Organisation and/or company	Name(s)
1	ConocoPhillips	Manda Goodwin
2	IFRI Centre for Energy	Laura Parmigiani
3	INTER-REGIES (CEDEC member)	Marc Malbrancke
4	Lampiris	Pieter Demandt

Summary of responses to consultation questions

In the boxes below, ENTSOG provides a high-level summary of the consultation responses received. To facilitate the reporting process, respondents' answers and remarks were tallied in representative groups. As mentioned above, the summary should be read while referencing the responses documents for a fuller appreciation of stakeholders' views.

Sufficiency of stakeholder involvement in project

Question 1: According to your opinion does the project plan for a development of a network code on balancing provide a sufficient basis for a quality stakeholder involvement given the timelines within which this project must be delivered? If no, please propose any improvements to be made

5	No response
21	Paraphrased response: "Yes, the plan provides sufficient basis for stakeholder involvement."
8	Paraphrased response: "Yes, but ensuring active participation across the 12-month period could be challenging both for ENTSOG and its members and for other stakeholders."
4	Other

Project timeline

Question 2: What do you think of the proposed timeline, including frequency and number of meetings? Are any changes needed?

11	No response
17	Paraphrased response: "Fine. No changes are needed."
7	Paraphrased response: "Acceptable. But more flexibility in the process is needed – especially, to treat yet unidentified topics and issues across the SJSWs."
3	Other

Topics for and scheduling of SJSWs

Question 3: What do you think of the proposed topics and scheduling for each Stakeholder Joint Working Sessions (SJWS)? Which other topics might be included?

11	No response
6	Agreed and made no comments
3	Agreed but proposed that the scheduling be reviewed and possibly revised after each SJSW
13	Agreed but suggested that the SJWS be conducted with “pragmatism,” e.g., topic lists to be revised in the course of the project, informal inter-SJSW meetings, etc.
4	Agreed and suggested specific topics (ranging from nominations to interoperability) to be added to the SJSW remit
1	Agreed but with other minor comments

Use of webinars and teleconferencing for SJWSs

Question 4: What is your view on our ideas regarding use of webinars, teleconferencing? Do you have any other suggestions that might enhance this process?

10	No response
8	Supported use of both webinars and teleconferencing and made no comments
13	Supported their use and gave additional comment and suggestions (e.g., video-conferencing)
4	Did not support use, finding in-person exchanges essential
3	Other

Press presence at SJWSs

Question 5: What are your views on press being present in SJWS and workshops?

8	No response
3	Yes, with no reservations
11	Yes, under 'Chatham House Rules'
16	No

Additional comments

Question 6: Do you have any other comments or observations you would like to make?

31	No response
2	Expressed concerns related to press participation in SJWS
5	Forwarded various comments [see below]

Selected comments

"Experience shows that the SJWSs are very important moments for stakeholders to express their view. In order to take fully advantage of them, we would ask ENTSG to provide information before each workshop:

- as in advance as possible*
- as detailed as possible*
- including - as far as possible - the specific points on which stakeholders will be called to express their view.*

This would make possible discussion within each company in order to develop a position to be put forward about the specific topics that will be covered in each workshop."

"We do not see the need for any changes at this stage but we welcome the approach taken in the CAM process that, should unforeseen issues arise, additional ad-hoc meetings will be organised to give stakeholders further opportunity to grasp complex issues and further feed into the development process."

"We agree with the importance of the following issues:

- *Differences between different EU members should be considered in the development of Framework Guidelines (FG) and network code (NC). On one hand, we agree that a minimum level of harmonization is needed, but on the other hand we believe that differences between countries must be taken into account when developing a network code on balancing, weighing the benefits of harmonization against the cost of balancing rules that do not deliver efficient outcomes in the context of genuine system's needs;*
- *To keep the coherence between different NC. The future NC on balancing is linked with other areas such as CMP, CAM, Interoperability and Tariffs.*

Regarding the above mentioned matters, it is especially important to take into account in the FG and NC developing process, and in particular in FG/NC on balancing, the high penetration of renewable energy, increasing interaction between gas and electricity systems and the relevant role of the CCGTs, as back up of renewable energy.”

ENTSOG conclusions from consultation

Based on the consultation responses, ENTSOG draws the following conclusions:

- Stakeholder level of participation

ENTSOG is pleased with the level of announced participation. The intended participation levels provide a good basis to the challenge ahead. Specifically ENTSOG looks forward to a good and regular attendance of those committing at the Prime Mover and SJWS participant levels. ENTSOG appeals to participants to devote sufficient time to deliver a successful outcome.

- Extent of planned stakeholder involvement in project

ENTSOG will maintain the number and schedule of SJWSs as in the original project plan. ENTSOG considers this the minimum number of formal interactions to ensure a sound understanding of the content issues that will inform the drafting of the network code. A ‘front loading’ of stakeholder participation is essential to ensure high quality dialogue and understanding during the SJWSs. The quality of stakeholder inputs (e.g., case examples and/or empirical analyses) will be critical to the formulation of the draft BAL NC for the formal consultation. Thus the process requires stakeholders to make relevant contributions and raise both ideas and solutions at the earliest opportunity in the code development process. This will allow ENTSOG to develop a robust draft BAL NC for its later formal consultation with stakeholders;

- Timeline for project

Regulation 715/2009 prohibits a network code development period of longer than 12 months. The European Commission have therefore given the lawfully maximum period for the process. Therefore ENTSOG will maintain the timeline in the original project plan, making revisions only when necessary in order to keep to its strict 12-month deadline from the European Commission;

- Topics for and scheduling of SJWSs

As requested by a respondent ENTSOG will add “nominations” to the topic list for the SJWSs and be open to additional suggestions in the future. ENTSOG intends to review the project’s progress at key ‘milestones,’ such as each SJSW, to ensure that it is running to plan and that all relevant issues are maintained within scope and suitable managed within the process. On the basis of these reviews, ENTSOG will refine the project plan as needed, for example, scheduling additional workshops and/or revising the list of topics to be treated.

- Use of webinars and teleconferencing for SJWSs

Given that a clear majority of respondents considered that webinars and live streaming of events might enable wider participation ENTSOG will endeavour to conduct a live web-streaming of the 2-day launch event as a trial. The details are being explored with potential service providers and ENTSOG will advise of the outcome nearer the time of the 13-14 December 2011 event. As part of the trial, ENTSOG will collect feedback from users to be used in an evaluation of the service, which will also be considered in the context of the press involvement consideration. ENTSOG will decide whether to continue with live streaming for later events.

- Press presence at SJWSs

Given the concerns expressed by the majority of respondents ENTSOG is reluctant to extend the SJSW invitation to journalists. However journalists and analysts will be able to access all SJWS materials directly from the ENTSOG website. ENTSOG will also make itself available to the press to field media inquiries.

Annex I

Respondent	Organisation and/or company
1	Alliander (also CEDEC rep.)
2	ANIGAS
3	Association of Electricity Producers
4	Bord Gais Energy
5	BP Gas Marketing
6	Bundesverband Neuer Energieanbieter (BNE)
7	CEDEC: Enexis
8	ConocoPhillips
9	Econgas
10	E-Control
11	EDF
12	EDF Energy
13	Edison
14	EDP Group – EDP GÁS and Naturgas Energía Comercializadora
15	Electricity Supply Board (ESB)
16	EnBW Energie Baden-Württemberg
17	Enel
18	Energia
19	ENI
20	EURELECTRIC
21	eurogas: 7-company delegation
22	Europex: Powernext
23	Florence School of Regulation, EUI
24	Gas Storage Netherlands: Gasunie Zuidwending
25	Gasterra
26	GdF SUEZ Infrastructures Branch/DSDR
27	GdFSuez
28	GEODE
29	GIE
30	IBERDROLA
31	IFIEC: VIK, Yara, Chemical Industries Association
32	INTER-REGIES (also CEDEC rep.)
33	OGP Europe: Esso Nederland/ExxonMobil; Statoil
34	RWE Essent
35	RWE Supply & Trading
36	SGT EUROPOL GAZ
37	Sorgenia
38	VKU (also CEDEC rep.)