

Functionality Process How to make it work?

Peter Hlusek
Adviser Market



Background



- A number of gas network codes as required in Regulation (EC) 715/2019 has been established with the aim of providing and managing effective and transparent access to the transmission networks across borders, and to ensure coordinated and sufficiently forward looking planning as well as sound technical evolution of the gas transmission system in the European Union.
- Aside from the establishment, implementation and monitoring a stakeholders forum of network codes is also necessary in order to achieve the overall objective of establishing the internal gas market.
- Additionally it has been recognized that it will be helpful and necessary to have a process in place ensuring that the network codes are functioning effectively across borders.



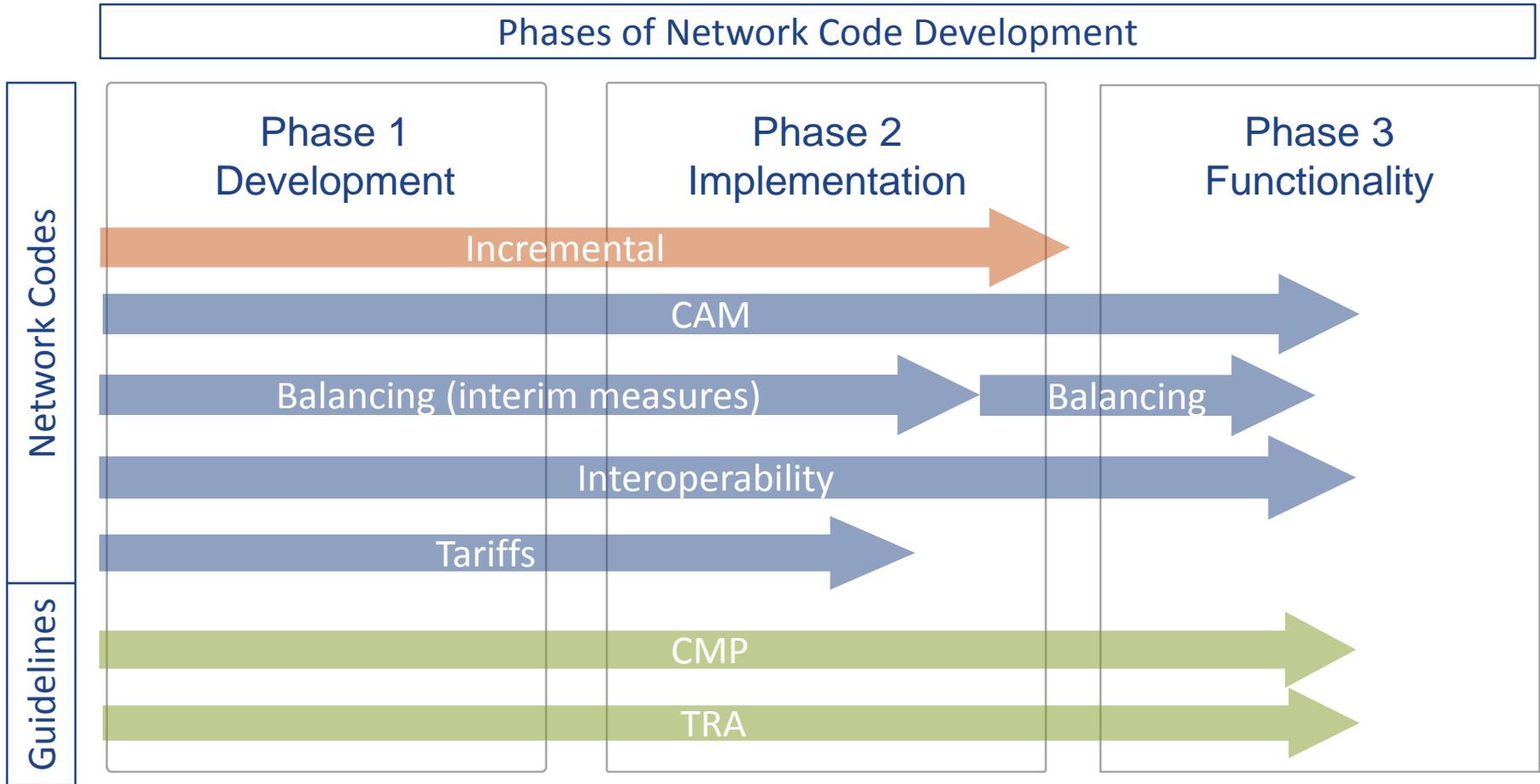
Process Background



- In mid 2015 it was agreed among EC, ACER and ENTSOG to set up a structured process to address NCs issues involving all relevant parties to ensure that this process can deliver solutions to which the relevant parties commit.
- “The Functionality Process for Gas Network Codes” co-managed by ACER and ENTSOG and supported by the Commission was launched in February 2016.
- Provides stakeholders a possibility to raise and discuss network codes and guidelines issues, which at the end of the process might aim at non-binding proposal on issue solution.

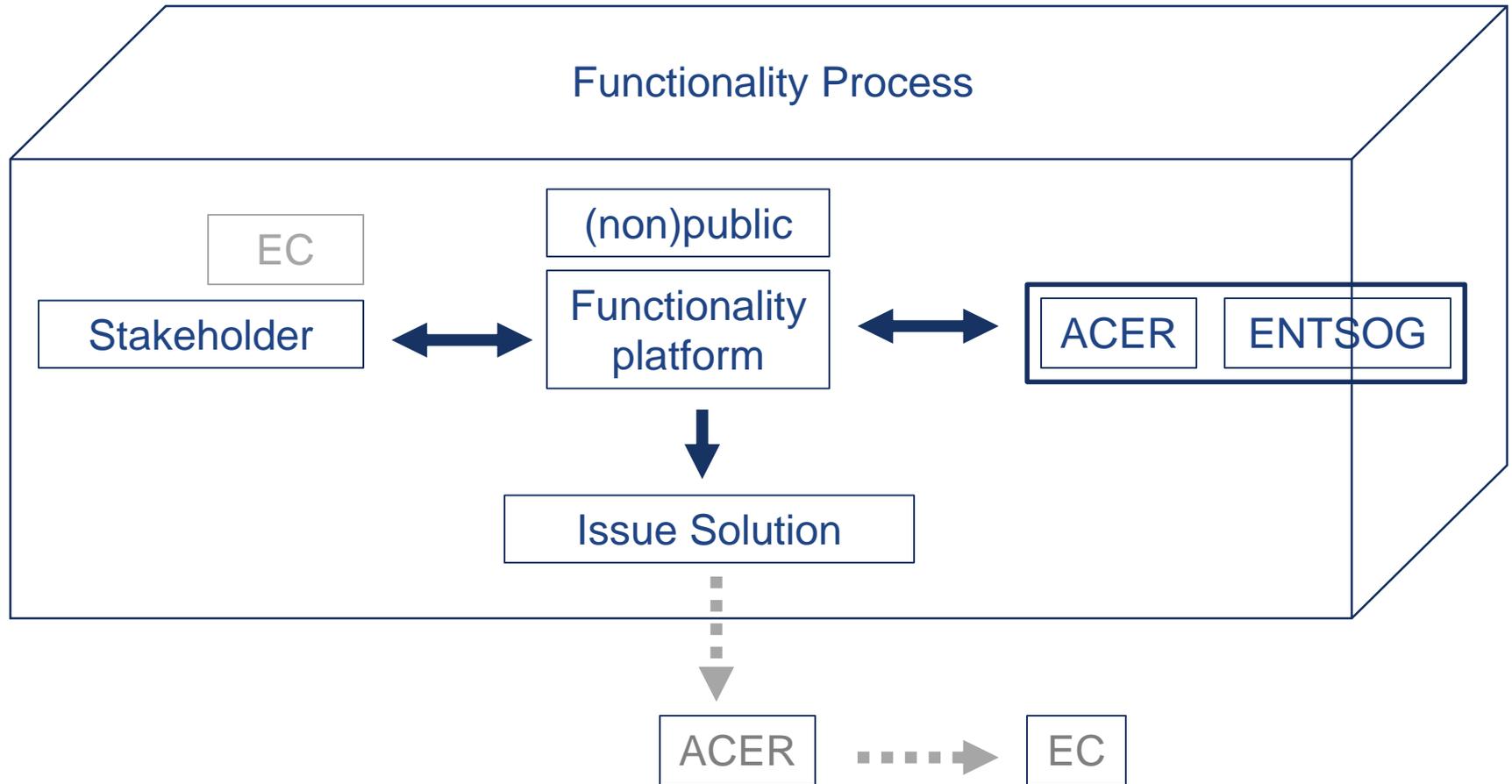


Network Code Development Process





Functionality process insight





Description of the Process

- Aimed at **proposal on issue solution** development to issues relating to **network codes** and **guidelines**.
- **Functionality Process** includes three steps, which are executed jointly from ACER and ENTSOG. These steps are:
 1. Collection of the issues via functionality platform
 2. Validation, categorization and prioritization of the issues (Preliminary and indicative assessment of costs and benefits of the proposed solution)
 3. Development, approval and publication of proposals on issue solution(s)



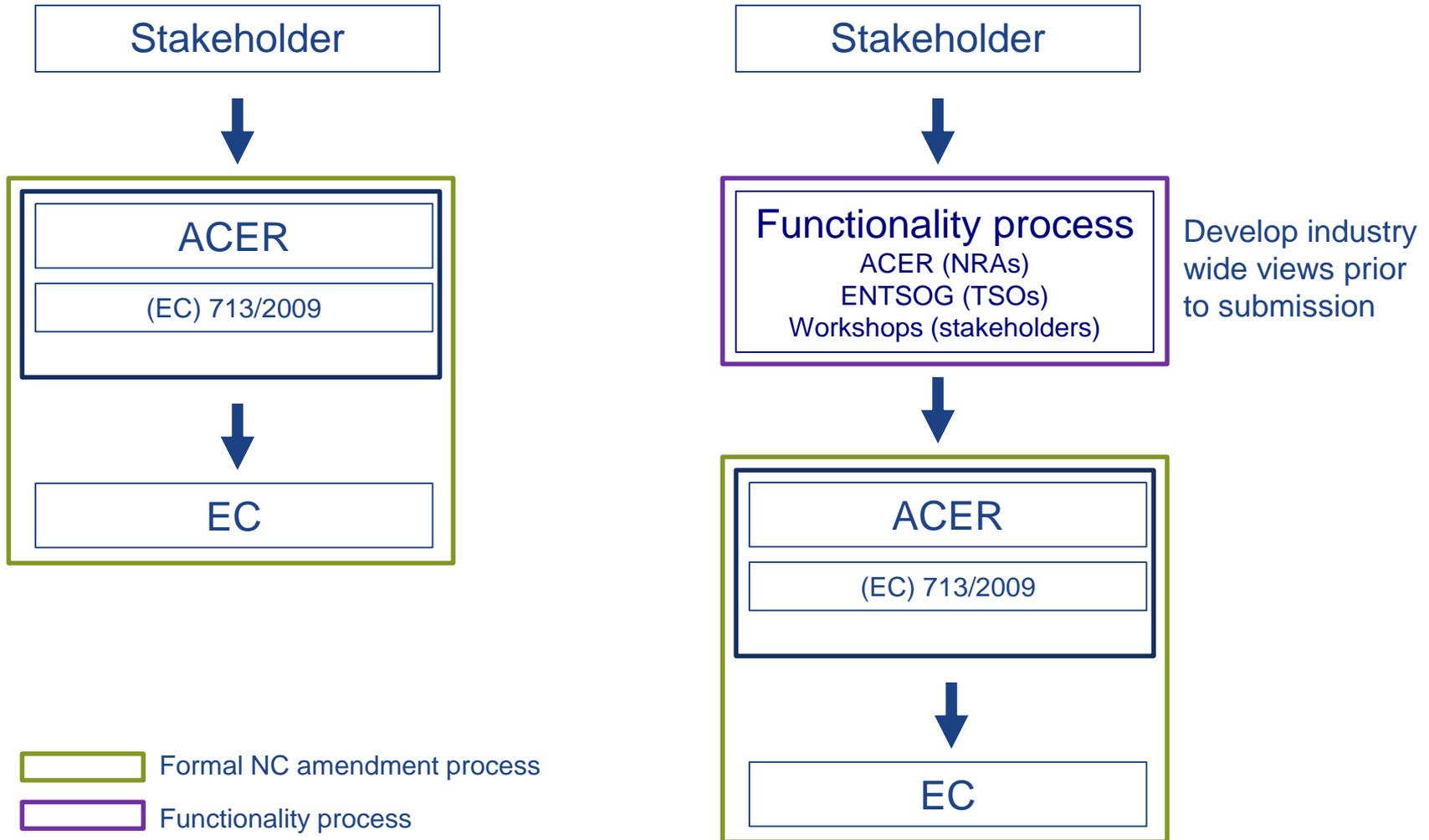
Validation Process



- **The scope of issues covered by the Functionality Process:**
 - Related to and/or derived from NCs or GLs, (CAM NC, CMP GL, BAL NC, INT NC, TAR NC, TRA GL)
 - Issues previously being addressed will not be reconsidered unless change in materiality can be shown
 - Issue does not need to be reported by directly affected party, but by any business area professionals entitled to become registered users according Terms of Use for gasncfunc.eu
 - Also other validation criteria can be used, if agreed between ACER and ENTSOG.



Optional Amendment Development

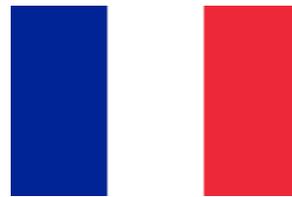




National processes



Joint Office



Concertation Gaz



National Processes

- **Joint Office of Gas Transporters**
 - > Its role is to administer the governance of the processes for modifying the Code (which sets out the common transportation arrangements for Great Britain's gas industry) and for a number of sub-committees that oversee its' operations.
 - > Secondary legislation
- **Concertation Gaz**
 - > GRTgaz and TIGF joint consultation mechanism to enable structured and organized process to listed to market needs of market participants consistent with their roles.
 - > Stakeholders forum

Working processes involving stakeholders.

European process – filling in post implementation gaps

It can work because:

- Multiple times national level proven as successful
- The process is transparent and structured
- Easy to use tools are in place
- It provides industry wide solution



Functionality Process

Submit your
issues!

What should be done to make the process successful?

- Change the way of thinking
- Change of thinking triggers change of way of working



Thank You for Your Attention

ENTSOG -- European Network of Transmission System Operators for Gas
Avenue de Cortenbergh 100, B-1000 Brussels

EML: Malcolm.Arthur@entsog.eu

WWW: www.entsog.eu