## MINUTES

**ENTSOG Interoperability and Data Exchange Rules Network Code Consultation WS**

**20 Mar 2013, 10:00 – 16:00**

at ENTSO-E Conference Centre, Av. de Cortenbergh 100

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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 (NC) development process. He also welcomed the participants taking part via webcast and invited them to give their feedback and comments via email.

2. **Draft Network Code presentation (10:15 – 12:30)**

Mr Michel Van den Brande, ENTSOG Subject Manager Interoperability, informed about the actual state and the next steps of the Network Code development process. ENTSOG Interoperability team presented the content of the draft Network Code Article by Article. Mr Michel Van den Brande, introduced the audience into the chapters on General and
Final Provisions. Mr Hendrik Pollex presented the articles related to Interconnection Agreement (Development and Amendment Process, Rules for flow control, measurement principles for gas quantity and quality, matching, allocation rules, exceptional events). Ms Licia Aversano, ENTSOG Legal Adviser at ENTSOG explained the twofold approach to the issue of the dispute resolution for the Network Code containing an overarching part and a dispute resolution part foreseen as a mandatory term for each interconnection agreement. Mr Hendrik Pollex presented the chapters Interconnection Agreement and Units. Mr Michel Van den Brande explained the Gas Quality part of the Network Code including Managing of Gas Quality Differences, Short Term Monitoring comprising of Gas Quality Data Publication and tailor made solution to provide indicative information to eligible parties and Long Term Monitoring. He explained also the Odourisation part containing the six month process of reaching bilateral agreements between adjacent TSOs regarding odourisation practices as well as 12 month period in case TSOs couldn’t reach an agreement. During the Data exchange session Jef De Keyser focused on the co-existence of the “common data exchange solution” together with the existing solutions currently in place as presented in the draft network code. The detailed cost benefit assessment study that is currently ongoing and where all market participants are invited to participate, will underpin the selection of the solution that will be adopted in the final Network Code. A dedicated workshop on Data Exchange will be organized on April 23th.

> Questions and answers (all questions and answers of the session before and after noon are grouped in this section)

Q (M. Immovilli - Edison): ENTSOG stated that the Network Code can’t define rules for other parties than TSOs. But in the Introduction of the Network code ENTSOG mentions that LSOs and SSOs have to facilitate interoperability. How is this in line?

A (M. Van den Brande): The Network Code can only put obligations to TSOs. We copied this reference from the Regulation and Framework Guidelines. It’s an intention but not obligation; the rules for LSOs and SSOs have to be defined in the national Network Codes. Maybe this Network Code can give inspiration for the rules to be defined for the LSOs/SSOs.

Q (E. Hennig – Eurogas DSO): Network code defines obligations for TSOs and TSO to counterparties. What are the obligations of the DSOs – please clarify.

A (M. Van den Brande): The obligations described in the Network Code only apply on TSOs. For the Units and Data Exchange part there is also a reference to counterparties. TSOs have to develop and implement a common set of units and a common data exchange solution for the communication from TSOs to counterparties. But counterparties can’t be obliged by the network code to follow. The problem might arise in implementation. That’s why we are proposing in the draft network code the co-existence of the common solution with the solution(s) currently in place as long as the current solution is in line with the business requirements of the corresponding network code(s).
Stakeholders are invited to express their concerns through the consultation response form within the foreseen period (deadline: 26 April).

Q (J. van de Worp – IFIEC): Dispute resolution: Why implement private law and not public law for disputes within Interconnection Agreements?

A (L. Aversano): Article 28 is defining an overarching dispute resolution for the whole network code which substitutes Article 12 for the 12-month implementation period (when there is no Interconnection Agreement in place). The Gas Directive foresees an intervention by ACER. For disputes arising from implementation of Interconnection Agreements Article 12 applies. No private/public law but international ones.

Q (J. van de Worp – IFIEC): In case when TSOs agree but NUs or Regulators don’t agree we need public law.

A (L. Aversano): Interconnection Agreement can only be challenged by the Contracting parties. For some issues which are not part of an Interconnection Agreement Article 28 is applicable. NRAs receive the new and amended Interconnection Agreements and can express their concerns.

Q (J. Nohl – GEODE): Article 22.2 defines the scope of the common Data Exchange Solution. What are the cases covered (Network Codes developed under Regulation 715/2009)?

A (M. Van den Brande): All processes developed according to Reg. 715/2009 are included. For the time being this means Transparency and CMP Guidelines and the network codes CAM, Balancing and Interoperability.

Q (J. Nohl – GEODE): What does this mean for parties mentioned in other NCs? Do they have obligation to implement?

A (M. Van den Brande): Network Code Interoperability defines the common data exchange solution for data exchange from TSOs to counterparties. Regarding data exchange from DSOs to TSOs as defined in NC BAL the requirements of NC BAL have to be followed by the DSOs.

Q (E. Hennig – Eurogas DSO): NC BAL doesn’t define the data exchange format. We have to clarify if DSOs are within scope or not. Can DSOs keep their existing communication way?

A (M. Van den Brande): In line with the Framework guidelines the network code defines the solution for data exchange from TSOs to counterparties. ENTSOG invites ACER to clarify the scope of the Framework guidelines.
A (G. Van Hauwermeiren – ACER): The network code defines rules for the TSOs. Market integration goes beyond Interconnection Points but the rules are only for TSOs. For the other parties it is an indication of what they have to take into account. Especially for Data Exchange it is deliberately a one way communication TSO to counterparties. The network code talks about compatible solutions. This issue isn’t yet clear but at national level it can be decided to keep existing solutions.

Q (E. Hennig – Eurogas DSO): Is the CBA (cost benefit analysis) going to clarify who is included?

A (G. Van Hauwermeiren - ACER): It needs to be discussed how far we go. We could consider whether we keep compatible solutions at national level. However this should not go against harmonisation. We should make a clear distinction between internal-national solutions and the harmonised common solution.

Q (Local German Utilities): It has to be clear how to do and the timescale of implementation.

A (M. Van den Brande): We are aware of the scoping issue Data Exchange. May I invite all Stakeholders to clearly react on this issue during the Public Consultation.

Q (I. Orland - vku): Does the definition of interconnection points include physical or virtual points between adjacent transmission entry-exit systems within the same member state (see e.g. Germany)? Does Article 17 apply to cross border flows or to the national as well?

A (M. Van den Brande): The definition includes physical or virtual points between adjacent transmission entry-exit systems. In case you have different entry-exit systems in a member state also these points are considered as interconnection points. Nevertheless, Article 17 – Managing Gas Quality Differences - is managing differences in national gas quality specifications at both sides of an IP and is therefore rather applicable to cross border flows between different Member States.

Q (J. Nohl – GEODE): Implementation period can be different (for Data Exchange)?

A (M. Van den Brande): Perhaps we have to reword the text of the draft network code if the text isn’t clear enough but counterparties with TSOs can agree on different implementation period (to be approved by NRAs).

Q (G. Steck - EON): Is it possible to further reduce the 2 hour lead-time for nominations?

A (H. Pollex): Perhaps it would be possible to reduce this lead-time in some cases but as this rule has to be applied by all TSOs in all 27 member states at all times this cannot be further reduced. Furthermore the time is needed in order to set up the physical systems.
A (M. Van den Brande): lead-time is defined in the NC Balancing. We don’t set the rule here.

Q (G. Steck - EON): Why is there more than one matching rule and is it possible to allow for only one, namely the lesser-of rule, which is used as the default matching rule? This would further streamline the whole process and this rule is already effective.

A (H. Pollex): Dependent on the involved TSOs there might be more than only the well-known lesser-of rule. It is important for NUs to know the applicable rule at any time. TSOs are going to investigate and will come up with a result of that in the run of the development process.

Q (I.-M. Trunkó – Mainova): How do stakeholders have to respond on the CBA for the implementation cost for non-existing solutions?

A (J. De Keyser): The CBA is one tool to collect data from users to assess the impact of one solution against another. ENTSOG will also collect information from potential solution providers.

Q (I.-M. Trunkó – Mainova): Stakeholders asking their software providers were unable to obtain related cost for an AS4 implementation, as it is something new.

A (J. De Keyser): True but AS4 is based on existing technology (ebMS). However we still need to define the exact configuration parameters. If AS4 is selected as the common solution for document based data exchange ENTSOG will define the recommendations for the configurations.

A The CBA will provide additional data and arguments to justify the solution and the added value.

Q (F. Sabbati – EHI): How will the existing appliances adopt to harmonization of Gas Quality (efficiency, safety issues)? We have not been included before in the process. CEN TC 234 is working on standardization and there is also a pilot project Gas Quality harmonization in 5 member states. If they don’t complete their work in time, how will this affect ENTSOG’s work?

A (M. Van den Brande): The network code development and standardization work by CEN are separate projects. CEN is responsible for the standardization work (Mandates by EC for drafting a quality standard for natural gas and biomethane). In the actual planning of CEN the standards will be available before end 2014. After CEN’s work each member state has decide whether to adopt the standard. The aim of the network code is to facilitate cross border flow having in mind differences in national gas quality standards at both
sides of an interconnection point. ENTSOG will submit the network code in Sep 13 before CEN has finalized the standards. There is no direct link between the 2 processes.

Q (G. Steck - EON): Why other allocation rules as OBA are proposed? OBA should be the standard in the network code. Other potential solution is Balancing Shipper but pro rata has to be avoided because it exposes NUs.

A (K. Beukema – GTS): Some shippers want to continue being balancing shipper, so the TSOs don’t eliminate choices. Pro rata can be necessary in case of exceptional events.

A (H. Pollex): For the interconnection points without flexibility, pro rata should be applied.

A (G. Steck - EON): Even so, costs should be socialized.

A (H. Pollex): Different concept, but still it can exist.

Q (H. Schülken - CEN): Measurement principles: as Hendrik highlighted in his presentation, art. 8, clause 4 refers to EN 1776 in case of no agreement on volume and energy. Looking to the self-commitment of CEN member countries (EU members +...) EN 1776 should be generally applied. Is there a reason for that phrasing? E.g. limits which are more restrictive than in EN 1776?

A (H. Pollex): This is a very valid question. This point was also discussed within ENTSOG. A majority of TSOs couldn’t agree to go so far as to apply this rule as a general one. Perhaps also other standards have to be defined.

Q (S. Rose - RWE): Article 15.1 says use of other between a TSO and a counterparty shall be allowed in addition, where communicating counterparties agree. In the case of communication between TSOs and shippers if one shipper agrees to use additional units but another doesn’t what does the TSO do?

A (H. Pollex): If the TSO agrees to use other units then he can do with this specific shipper and in the other case not because there is no agreement about the use of other units. So the TSOs should be ready to allow the use of other units for all or for nobody in order to have a level playing field and to be non-discriminatory. This has to be further investigated.

Q (E. Hennig – Eurogas DSO): Question for IFIEC: Is the real gas quality necessary for you or is it the volatility?

A (D.J. Meuzelaar – IFIEC): Volatility is important. When the gas quality is stable, nothing extra is necessary.
S (L. Remy – Fluxys): Is non-odorised gas always the best solution? Not necessarily if both countries agree on the transmission of odourised gas. But if countries carrying out decentralized odourisation are involved, the TSO adding THT at a transmission level should take care of it, i.e. remove the odorant. It’s clear that THT is an added component, which is the reason why the EASEE-gas CBP is only taking care of specifications for non-odorised gas. In case TSOs needs to odourize gas in a centralised way, the quantities to odourize are much bigger than in a decentralised approach since in the latter case only city gates volumes are odourized. Regarding storage, it is true that stopping centralised odourisation will not have an immediate effect since odourised gas contained in the underground will be delivered for years; nevertheless, this is likely to be preferable to current practices consisting in re-injecting THT in withdrawal mode because of the wash-out of the odorant in the storage.

A (M. Van den Brande): The network code tries to define a balanced approach between odorised and non-odorised gas. TSOs will assess the different options (odorised gas, acceptable level of odorant (de-odorisation) and the conversion towards non-odourised gas (totally or partially)).

Q (DSO): DSOs have to pay for the odorization process depending on TSOs decision.

A (M. Van den Brande): It’s clear that a change in odorization practices has to be decided by the relevant member state authorities including the cost recovery mechanisms.

Q (I. Orland - VKU): The date for collecting CBA responses is very ambitious.

A (J. De Keyser): Deadline is very short but if we want to have data available on the workshop of April 23rd, we have no alternative. However data sent back later than March 30th will be taken into account and shall be presented during the conclusion workshop in May.

Q (S. - RWE): What role will shippers have in the data exchange requirements or Common Network Operation Tools? The previous Business Rules talked about a "representative committee" tasked with advising ENTSOG on how to adapt Data Exchange rules, but this is no longer referred to in the draft Network Code.

A (J. De Keyser): This part has been removed from the network code since it was beyond the scope of the framework guidelines. Business Rules and the Business Requirement Specifications will be part of the common network operation tools (CNOT) and will be available on ENTSOG’s website. Draft of common network operation tool will be presented at Data Exchange WS (23 April). Stakeholder involvement in the development process is foreseen in the draft.
Q (I. Orland - VKU): Art. 25: 12 months after entry into force of the Regulation is ambitious seen the massive means required for implementation and financing of the data exchange solution, if it is meant to be AS 4.

A (J. De Keyser): The implementation time of 12 month is ambitious for any solution once the NC is published. But it will be the same effort for any solution (AS2, ebMS or AS4). In reality the time for implementation is approximately 3 years at the moment the NC is delivered to ACER in September 2013.

3. ACER preliminary views (12:30-13:00)

Mr Geert van Hauwermeiren, CREG, presented ACER’s preliminary views on the NC. He stated that the development process so far was carried out in a very constructive way with a high quality draft network code and good overall compliance with the Framework Guidelines and even some ambitious solutions going beyond the Framework Guidelines. Nevertheless there are some parts which need further refinement (level of detail default rules Interconnection Agreement, CBA and legal analysis data exchange, tailor-made solution for short-term monitoring Gas Quality).

4. Prime Mover preliminary views (14:00 – 14:30)

Mr Kees Bouwens (Prime Mover, OGP) presented his view on the NC. He identified some benefits from this network code facilitating efficient operation of interconnected networks. He presented preliminary views issue by issue and proposed some text refinements. He made clear that the NC deals only with TSO to TSO Interconnection Agreements and not establishing a template for IA between TSOs and non-TSOs. He explained that for flow control the aim should be to minimize the impact on NUs confirmed quantities which can be reached through using OBAs. NUs have to know that TSOs may have to adjust the flow for Force Majeure reasons and that in such a case NUs confirmed quantities can be affected. Concerning Allocation Rules, he pointed out that the NC defines the OBA as the default allocation rule and in case TSOs want to implement a different rule that then NUs may request a consultation.

With respect to Data Exchange Art 25.2, he clearly stated that one has to avoid major costs when existing solutions are compliant and that decision to replace existing systems are governed by relevant national rules, based on a Cost-Benefit analysis to be carried out by the TSO(s).

> GIE (Abel Enriquez)

Mr Abel Enriquez presented GIE’s views. GIE supports the overarching targets of this network codes and thanks ENTSOG for the very constructive, open and transparent development process of this network code.
5. Stakeholders’ preliminary views (14:30-15:10)

> EASEE-gas (Bart Cornelis)

Mr Bart Cornelis presented EASEE-gas preliminary views. In general EASEE-gas members support the content of this draft network code. Some attention points were identified to be taken into consideration in the further development process of the network code. He first pointed out that it is unclear how the matching process in case of both bundled and unbundled capacity can work. Furthermore an alternative for OBAs in case the limits are reached is missing as well as an alternative allocation rule in case there is no OBA in place. For Data Exchange EASEE-gas fully supports the implementation of Edig@s.

> GrDF (Catherine Martin Fournier)

Mrs Martin Fournier presented the point of view of the French DSO GrDF on Odorisation. The flow of non-odorised gas shall be one of the possible options, but it shall not be the ultimate option. In her opinion TSOs have to actively identify and give an assessment of the impacts related to the eventual flow of odorised gas, and evaluate local solutions to mitigate those impacts, and at last define a level of odorant in the gas below which those impacts are acceptable especially to evaluate possible solutions of de-odorisation or evolution of odorisation practices. The decision of changing odorisation practices is a member states’ responsibility.

> GEODE (Johannes Nohl)

Mr Johannes Nohl presented the preliminary views of GEODE. The main issue is the scoping of the network code and the interpretation of ‘counterparties’. In GEODE’s view it’s clear that the network code Interoperability has to focus on cross border issue and national/regional issues have to be tackled in national codes. GEODE proposes to exclude DSOs from the data exchange part of this network code.

> IFIEC (Dirk Jan Meuzelaar)

Mr Dirk Jan Meuzelaar, representing CEFIC and IFIEC, compliment ENTSOG about the progress and constructive cooperation with the stakeholders. Moreover he emphasized that the Network Code should give more clarification about the responsibility of gas quality or at least where this issue will be addressed and handled. CEFIC and IFIEC agreed that TSOs should manage quality differences that may persist in the future due to diversification of gas sources, however because the TSOs are not responsible -nor is responsibility an interoperability issue-, it is necessary that the NC should at least be more clear that Member States/NRAs are accountable because they define the specification and ranges of the gas quality and should accept its liability. As far as (near real time) information is concerned CEFIC and IFIEC supported ENTSOG this issue should be addressed at National or even (cross
Regional level in close cooperation with eligible parties. Moreover CEFIC and IFIEC welcome the obligation to include the long term gas quality monitoring in the TYNDPs on the condition that providing information for this outlook by upstream parties may not be voluntary or without obligation.


Mr Peter Pozsgai presented the preliminary views of EC. He presented also the actual state of the development process of the Impact Assessment accompanying the network code in the comitology process. EC drafted a Questionnaire to collect data from the NRAs (coordinated by ACER) and the TSOs (coordinated by ENTSOG). In the Questionnaire also a specific question for System users on odorisation is listed up:

Question to system users: Odourisation: In the case of those IPs where a system is connected to another system where odourisation takes place at different levels, do you (would you) experience barriers to trade in both directions? Are you aware of cross-border trade related problems? Please list examples.

The System users are invited to send their reply to interoperability@entsog.eu

7. Closing remarks (ENTSOG: M. Van den Brande) (15:45-16:00)

Mr Michel Van den Brande thanked once again for the participation and the very constructive cooperation. He invited stakeholders to participate in the Public Consultation and to fill in the on-line response form before 26 April. Stakeholders’ involvement is still key in the further development process of the network code. Received feedback will be taken into consideration in the refinement process of the NC.

The results of the Public Consultation will be presented during the Conclusions Workshop (28 May 13). Meanwhile ENTSOG remains open for additional bilateral meetings with interested parties.