



GIE response to public consultation Interoperability NC of ENTSOG

Who is GIE?

Gas Infrastructure Europe (GIE) is an association representing the sole interest of the infrastructure industry in the natural gas business such as Transmission System Operators, Storage System Operators and LNG Terminal Operators. GIE has currently 68 members in 25 European countries.

One of the objectives of GIE is to voice the views of its members vis-à-vis the European Commission, the regulators and other stakeholders. Its mission is to actively contribute to the construction of a single, sustainable and competitive gas market in Europe underpinned by a stable and predictable regulatory framework as well as by a sound investment climate.

Introduction

GIE welcomes the opportunity to answer to this public consultation. GIE welcomes the fair and transparent process performed by ENTSOG.

Answers to consultation's document

A. General/Final Provisions

1. Do you agree with ENTSOG's proposal for General Provisions?

Yes

2. Do you agree with ENTSOG's proposal for Dispute Resolution?

Yes

3. Do you agree with ENTSOG's proposal for Final Provisions?

Yes but with minor refinements

GIE has concerns regarding the implication of Art 29 when it comes to the proposals regarding odourisation. The combination of Art 29. with Art. 21 could lead to a somehow automatic obligation for de-odourisation (please refer to our answer in section E).

B. Interconnection Agreements

4. Do you agree with the proposed 7 identified issues for mandatory terms in an IA?

Yes

5. Do you agree with the proposed 3 identified issues where network users have to be informed and to gather their feedback within a timeframe between one and three months in

case of changes?

- Yes
6. Do you agree with ENTSOG's proposal for the development and alignment of IAs?
- Yes
7. Do you consider that the above proposals meet an appropriate degree of transparency for modification of IAs?
- Yes
8. Do you consider that ENTSOG proposal for rules concerning flow control is exhaustive?
- Yes
9. Do you agree with the above proposals for measurement principles that should apply at an IP?
- Yes
10. Do you agree that transmission system operators should be obliged to use the EN1776 standard as a default rule for energy measurement standard at an IP?
- Yes
11. Do you believe that the "lesser rule" fulfills the Framework Guidelines' requirement to eliminate or otherwise reasonably resolve, at least costs for transmission system operators and network users, mismatches at IPs?
12. **Yes** Is there any other information, in addition to the matching rule, that should be made available to network users?
- No answer
13. Do you agree with the proposed default allocation rule (OBA)? Which reasons do you see for having another allocation rule as the default allocation rule (OBA)?
- Yes
14. Do you agree with ENTSOG's proposal for stakeholder consultation concerning non-OBA allocation rule options?
- Yes
15. Do you agree with ENTSOG's proposal for exceptional events?
- Yes, but with minor refinements
For GIE it is not fully clear how these respective provisions interact with the REMIT regulation. This should be checked on a legal basis.
16. Do you agree with the principle that disputes arising out of an existing IA could be settled by an independent expert where transmission system operators are unable to resolve between themselves?
- No answer
17. Do you believe that national regulatory authority should be involved in the resolution of such disputes? If so to what extent?
- No
NRAs should not be involved in principle unless in the case a dispute may have a financial impact for shippers (impact in tariffs).

C. Units

18. Do you agree with the list of items for which common units are proposed? (pressure, temperature, etc.)
- Yes
19. Do you agree with the proposed common units for these items (bar, °C etc.)?
- Yes but with minor refinements
Yes, provided that Art 15(1) stays in place.
20. Do you agree with the proposed scope within which transmission system operators would be obliged to use common units?
- Yes but with minor refinements
Yes, provided that Art 15(1) stays in place.
21. Will in your opinion the identified difference between the reference conditions for parameters used in CEN-standards and the reference conditions defined in ENTSOG's proposal represent a barrier?
- Yes
The difference between the reference conditions should not, in principle, represent a barrier. In any case it would be preferable if ENTSOG and CEN would coordinate the efforts to avoid uncertainty in the gas market.

D. Gas Quality

22. Do you agree with the proposed process and timeline for transmission system operators to handle possible physical flow barriers due to difference in gas quality specifications?
- Yes, but with minor refinements
It is not absolutely clear what happens if the CBA shows that the costs of solutions exceeds the benefits. It should be clearly mentioned that in this case no measures, at least no investments, will be taken. This is of importance to avoid that not-required/not-justified investments increases costs of the gas system and consequently the price of gas. More attention should be given to the interests of all parties concerned. Gas quality is not only a concern for the adjacent TSOs but also for the downstream operations of industrial customers, SSOs and DSOs. The NC should describe procedures for the involvement of these stakeholders incl. the possibility to reject solutions in case these solutions harm their operations.
23. Do you agree with the proposed way of early involvement of national regulatory authorities in the process?
- Yes but with minor refinements
GIE would like to note that Member States should likewise be involved in the process.
24. Do you agree with the proposal of Regulation to define minimum list of requirements for short term monitoring at EU level and shift the selection process of eligible users at the national level?
- Yes

25. Would you find it useful to have access to real time information on WI and GCV on IPs?
- No
GIE is of the opinion that the costs for such real time service exceeds the benefits, taking into consideration the fact that gas have to flow from IP to the gas user concerned the value of real time information is not clear.
26. Do you agree with the proposal of defining a stand-alone gas quality outlook, based on flow pattern scenario used by ENTSOG in TYNDP-process?
- No
GIE have doubts that ENTSOG is able to deliver reliable outlooks on gas quality for long term. This is simply because ENTSOG will not have access to the data needed to make such outlooks. The respective data belong to producers. Furthermore in an increasingly liquid market cross-border trades will increase and impact gas quality (even in case national specifications will be met). Finally Europe is depending on LNG supply. It is almost impossible for ENTSOG to deliver robust estimations about future LNG supply to Europe. GIE doubts the value of such an outlook. For safe operations in Europe (taking into account national gas specifications) it is needed to manage gas quality issues at cross border points and at import points to the EU. Finally GIE is afraid that policy makers will define energy policy priorities or will evaluate infrastructure projects on the outlook of ENTSOG.
27. Do you agree that the report should focus on Wobbe index changes?
- No
see above
28. Do you find it useful to produce a long term gas quality outlook?
- No
see above

E. Odourisation

29. Do you agree with ENTSOGs' proposal that if cross-border flows are hampered by differences in odourisation practices between adjacent systems and transmission system operators cannot reach a bilateral agreement they should shift towards flow of non-odourised gas?
- Yes, but with minor refinements
- GIE would like to recall that odorisation at transmission level is a result of national safety policy. Moreover, we would like to note that ENTSOG has several times explained during the drafting process of the NC, a complete de-odourisation or a complete shift to non-odourised gas is technically not possible (at least not for reasonable costs) for a long time, in particular, in case storage facilities are connected to the transmission network (as traces of the odourant would remain present in the gas withdrawn from storage for many years). In any case, a robust cost-benefit analysis should be done to evaluate the best and the most efficient solution: all alternative solutions should be investigated. Any such decision should be made taking due account of the potential costs for all final consumers involved.
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30. Do you think that ENTSOGs' proposal encourage transmission system operators at each in-

terconnection point to reach an agreement to address effectively barriers resulting from differences in odourisation practices?

- No answer

F. Data Exchange

31. Do you agree with the proposed rules for data exchange in the Regulation?

Yes, but with minor refinements

GIE welcomes the pragmatic and fair approach of ENTSOG to allow a common European data exchange solution and national solutions in parallel if these national solutions support the business rules of the commercial network codes. GIE welcomes the efforts of ENTSOG to define sufficient stakeholder involvement within its own sphere. The Network Code should describe in more details how the Member States will be early involved in the decision-making process and how to proceed on Member States level when it comes to a potentially different time schedule.

32. Do you agree with the approach of the initial assessment to define the data exchange solution?

○ Yes, but with minor refinements

See previous answer. Moreover, the CBA should take due account of any potential impact on other stakeholders.