

GIE answer to European Commission's consultation on "Establishment of the annual priority list for the development of network codes and guidelines for 2014 and beyond"

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. The priorities described in this document will be paramount for the achievement of an integrated, sustainable, competitive and secure energy market.

Given the scope of GIE activities, GIE will only refer to the gas priorities described in the public consultation document.

GIE wonders why the public consultation document is not explaining more in detail the reasons and arguments which lead the Commission to propose the tentative annual priority list for 2014 and the key areas beyond 2014, as listed in the consultation document. Additional explanations why these options (listed in the consultation document) have been chosen would be much appreciated and would help the market stakeholders to provide more valuable input.

Answers to consultation's document

GIE welcomes the current focus on the completion of the CAM and Balancing network codes and their timely implementation. These, together with the European Commission's (EC's) CMP rules will form an essential foundation for the delivery of the single internal energy market (IEM).

The Interoperability network code will include essential enablers to encourage efficient implementation of other codes, because it is the technical backbone of the commercial NCs such as CAM/CMP and Balancing. Therefore GIE encourages, ENTSOG, ACER and the EC to follow Interoperability code developments closely and to supply timely feedback to maximise the opportunity to have a code supported by ACER by year end 2013. Experience during the Balancing NC shows how helpful it is to early involve these bodies. In addition GIE would like to see also an early involvement of the member states because some of the aspects of the NC concern them too.

GIE notes the delay associated with Tariff framework guideline and will work closely with ENTSOG, ACER and EC to ensure that an appropriate focus is maintained to ensure that a robust and fit for purpose framework guideline is delivered as the basis for legislation network code development.

GIE notes that in parallel with ACER's Tariff framework guideline development both CEER and ACER will be working upon the new build incremental capacity issue. GIE is also aware that ENTSOG has been carrying out some initial work in this area. The treatment of incremental capacity may have a strong interaction with tariffs and therefore, it would be essential to ensure that both developments are coherent and complementary among them.

Additionally GIE supports that during the second half of 2014 a scoping exercise for rules for trading should be undertaken. It is important to create only rules that will enhance market functioning and which are limited to technical and operational provisions of network access services and system balancing.

Particular attention needs to be applied to decide which, if any, elements of the design of capacity products should be considered for harmonisation. This decision should be made in the light of experience gained from CAM and Balancing works and shall recognise that mismatches of capacity and different levels of firmness are an inevitable consequence of implementation of entry/exit zones.

Whilst GIE believes it is in general a valid idea addressing the Network connection rules with respect to provide locational signals in 2015, it is not clear what scope is envisaged. GIE sees quite complicate links to tariff and incremental capacity developments during next year's consultations and therefore recommends either a removal as a result of this consultation or a reassessment of this potential priority.

Finally, GIE encourages EC to consider realistic timescales for the challenging tasks ahead. In fact the complexity of the issues to be elaborated in the next months and the links between them (for example CAM, Tariffs, Incremental Capacity and locational signals) requires careful attention by all stakeholders. Stakeholder involvement is also an important tool to increase the quality of the results. Finally ENTSOG will need the experienced team to draft the codes.