

(refined) Draft Network Code on Balancing – stakeholder support process

SSP Response Sheet

Please complete the fields below and send via email using the subject title, “Response to the BAL NC SSP” to info@entsog.eu by 28 September 2012.

Name
First and Last Name: Helen Stack

Organisation
Company/Organisation Name: Centrica
Job Title: Commercial Manager

Contact details
Email: helen.stack@centrica.com
Tel:
Mobile: 44 (0)7979 567785

Address
Street: Millstream East, Maidenhead Road
Postal Code: SL4 5GD
City: Windsor
Country: United Kingdom
Countries in which your organisation operates: In the EU: UK, Belgium, the Netherlands and Germany.

How would you describe your organisation? Energy producer, network user, energy supplier to households and businesses and service provider.

	Association	(please specify type)
x	End user	
x	Network user	
x	Trader	
x	Other	Gas producer and an end user for power production.

Question 1: Do you consider that the network code development process carried out by ENTSG was appropriate, given the boundaries of the framework guideline? In particular, was the level of stakeholder engagement appropriate? If there is room for improvement, please inform us about possible suggestions for improvement.

Yes X	No
<p>Comments: Centrica was very pleased with network code development process. Stakeholder consultation was highly transparent and efficiently managed. Outside of the planned sessions, ENTSG staff were always willing to make themselves available to answer questions. The webstreaming of stakeholder workshops was invaluable for the occasions when we could not travel to Brussels.</p> <p>The Balancing workstream benefited from greater presence of Regulators. We believe the process would have been improved if ACER could have found a mechanism to discuss its concerns with the text publicly and earlier during the stakeholder process.</p>	

Question 2: Please complete the table below, indicating whether you support the relevant sections of the Draft Network Code on Balancing, having regard to the process carried out and ENTSG's aim to reflect the views of the majority of users during the development process.

Chapter	I: General Provisions	II: Balancing System	III: Cross-border Cooperation	IV: Operational Balancing
Support	X	X	X	X

Do not support				
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Chapter	V: Nominations	VI: Daily Imbalance Charge	VII: Within-day Obligations	VIII: Neutrality Arrangements
Support	X	X	X	X
Do not support				

Chapter	IX: Linepack Flexibility Service	X: Information Provision	XI: Implementation, Interim Steps
Support	X	X	X
Do not support			

Please provide brief reasoning for your responses, if you wish.

Centrica has seen the responses prepared by Eurogas, EFET and Eurelectric and encourages ENTSG, ACER and the Commission to work towards incorporating the improvements suggested by these associations.

Chapter I: General Provisions or Chapter III: Cross-border Balancing – should include the objective for TSOs to have no more than one single balancing zone for a market area with a single Virtual Trading Point.

Chapter IV: Operational balancing – We welcome the way stakeholder input has been reflected in the clearer definition of the merit order in Article 13. But, additional stakeholder consultation needs to be introduced in Article 16 and Article 17.

- In Article 16, on Balancing Services, stakeholders must be consulted by the TSO and NRA if the use of 16.3 (c) “procedure other than a public tender” and 16.4 “Balancing Services with a longer duration than one year”.
- Article 17, on Incentives should include mandatory consultation of stakeholders by the TSO on the incentive mechanism design.

Chapter VII: Within-day obligations (WDOs) – Whilst there is some additional drafting describing the different types of WDOs, it would be useful for ACER and ENTSG to work together, outside of the Code, on more detailed practical guidance on the pre-requisites for implementing or retaining WDOs, including the necessary information provision for network users. This guidance should also seek to avoid unnecessary proliferation of different WDOs.

Chapter VIII: Neutrality Arrangements – The TSO should implement credit risk management arrangements to ensure that the costs borne by network users are minimised in the case of a default attributable to a network users (Article 37). Ideally such arrangements would prevent default occurring in the first place.

Chapter IX: Linepack Flexibility Service – We are not requesting a change to the wording, but would like to restate our position that Linepack should primarily be used for balancing the system and minimising the need for WDOs.

Chapter X: Information provision – We believe that TSOs could go further to improve the granularity of off-take information flows to shippers. This would enable shippers to better balance their positions during the day and minimise the role of the TSO.

Question 3: Do you believe that the eventual implementation of the refined draft Network Code will enhance the functioning of the internal gas market?

Yes X

No

Comments:

Our experience of the GB gas market is that many of the principles in the draft Network Code will support the further development of liquid gas trading throughout the EU.

On the other hand, there is a very real risk that if there are areas where the different Network Codes do not work together, these could harm the functioning of the internal gas market. We would encourage ENTSG and ACER to find an efficient mechanism to remove any such inconsistencies.