ENTSO conference centre (ground floor), 100 Av. de Cortenbergh, B-1000 Brussels, Belgium

AGENDA

DAY 1 – Wednesday, 7 March 2012

No.	Description	Presenter	Time
	Registration and pre-workshop coffee		**from 10:00**
0.	**ENTSOG welcome**	**N. Sisman**	**10:30-10:35**
1.	**Process update**	**T. Gerus**	**10:35-10:50**
2.	**Balancing Target Model – " a day of regime operation"** • How the draft BAL NC business rules fit together • Interactive balancing example • Discussion & Conclusions	**N.Sisman,** **N. Regan & co.**	**10:50-13:00**
3.	**Balancing zone** • Portfolio • VTP, as market foundation • Discussion & Conclusions	**R.Van der Meer**	**13:00-13:30**
	Lunch		**13:30-14:15**
4.	**Operational balancing** • Operational balancing • A minimal standardised short term product set • Integrating the wholesale market via platforms • Discussion & Conclusions	**L. De Wulf, Fluxys**	**14:15-15:45**
	Coffee break		**15:45-16:00**
5.	**Nominations** • Presentation of key elements of proposed scheme • Discussion & Conclusions	**C. Hamilton,** **National Grid**	**16:00 -17:00**
6.	**Reaction to Day 1** • Discussion & Conclusions • Agenda management for Day 2	**Stakeholders**	**17:00-17:30**

DAY 2 – Thursday, 8 March 2012

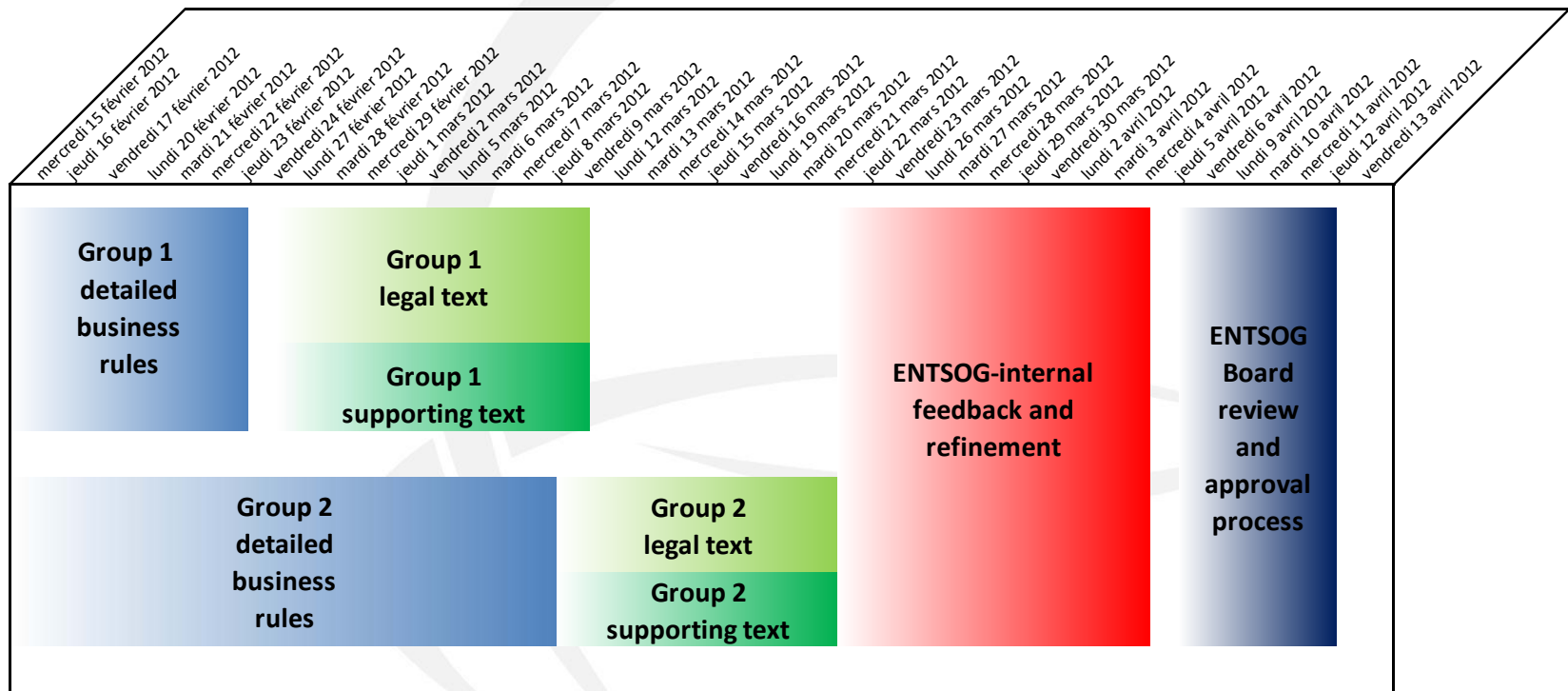| No.	Description	Presenter	Time
	Pre-workshop coffee		**from 9:00**
7.	**Within-day obligations (WDOs)** • Ensuring alignment between commercial model and physical • 'Only where necessary' • Encouraging competitive market in short-term flexibility • Discussion & Conclusions	S. Egberts, GTS	9:30-11:00
	Coffee break		**11:00-11:15**
8.	**Information provision** • Approach to information provision • Consideration of stakeholder feedback to date • Discussion & Conclusions	J. Quainon, GRTgaz	11:15-12:30
	Lunch		**12:30-13:30**
9.	**Transitional "roadmaps" and interim measures** • Exploring the transition framework guidelines elements • Discussion & Conclusions	N. Sisman	13:30-15:00
	Coffee break		**15:00-15:15**
10.	**Conclusions** • Observations on SJWS consultation process	Stakeholders	15:15-15:45
11.	**Process next steps and closing**	N. Sisman	15:45-16:00

Process update

BAL NC SJWS5

Tori Gerus
Adviser

ENTSO conference area, Brussels -- 07 March 2012

Delivering draft NC: thru to formal consultation

Group 1 DBRs on website; Group 2 next week

http://www.entsog.eu/publications/balancing.html

WATCH THIS SPACE!

4

BAL NC project – transition to feedback stage
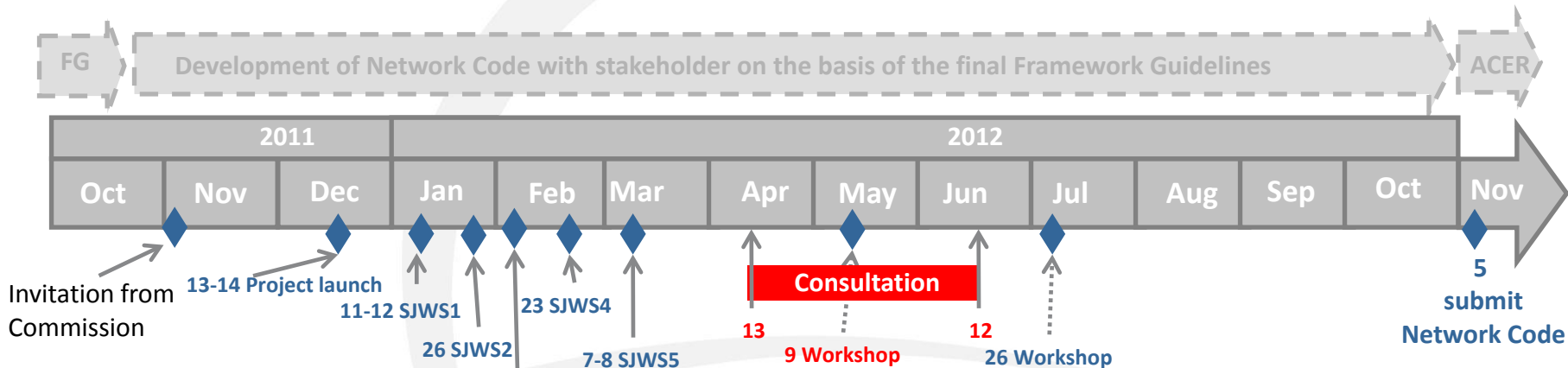
Main activities of ENTSOG and stakeholders during BAL NC development phase
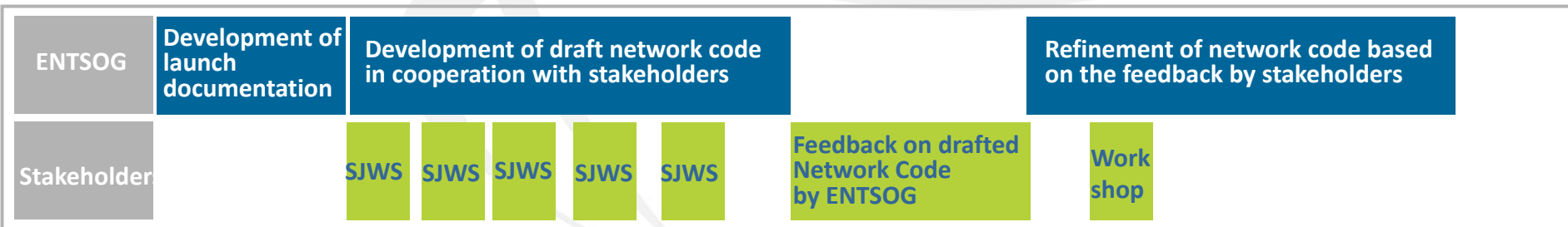
2-part public consultation document
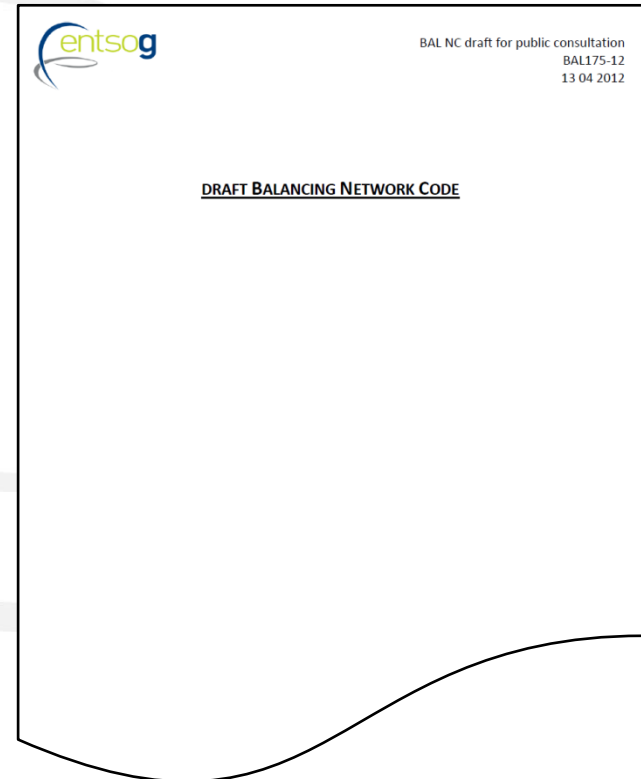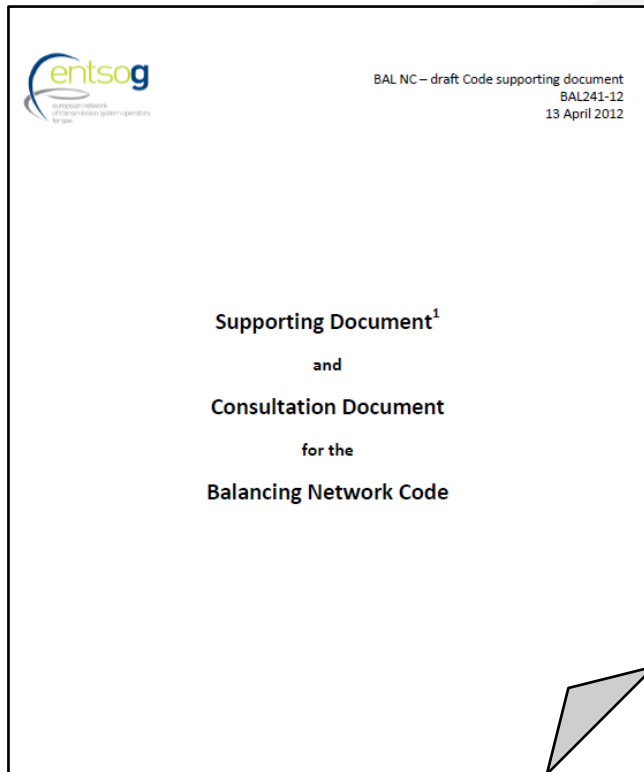
Precise consultation questions to yield focused responses

Concise, evidence-based arguments sought – not assertions or high-level statements

> Country case studies, highlighting the unexpected effects with the adoptions of ENTSOG-proposed policy options: under-estimated direct effects; spill-over effects; others;

> (Confidential) Analyses of the technical feasibility of implementing a proposed requirement in the ENTSOG proposed policy option vs. stakeholder-preferred option

> (Confidential) Analyses of the commercial viability of implementing a requirement in the ENTSOG-proposed policy option vs. stakeholder-preferred option

> Scenario 'testing' policy alternatives, leading to a preferred policy options different from that proposed by ENTSOG

> Other qualitative and quantitative evidence to provide insight on policy options considered to date or NEW arguments

Don't rewind, replay and repeat unsubstantiated arguments from previous consultations or the SJWS consultation

Stakeholder engagement during consultation period - 1

Eastern European Workshop 18 April Vienna (TBC)

- to reach stakeholders not yet active

- to raise awareness and encourage participation for rest of project

- Identification of participants
  - network users (by TSOs)
  - NRAs (by ACER)
  - Member States (by Commission)
  - End-user groups (via associations, such as Eurelectric, IFIEC)

Go-ahead decision will be made on 19 March

External engagement during consultation period - 2

Mid-consultation Workshop: May 9th, Brussels

- Long enough after launch so respondents will have taken initial views/response on draft BAL NC and related questions
- early enough to influence responses with workshop insights gained

- Opportunity for
  - clarifications (in addition to those raised in bilateral exchanges with ENTSOG)
  - 'Testing' of initial views and arguments on policy and industry stakeholders exposition
  - exploration of interaction understanding

Further effort to facilitate high-quality, focussed responses

Thank You for Your Attention

Victoria Gerus
Adviser
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The Balancing Target Model

SJWS5

Advisory Kernel Group

Introduction

- Go through a worked example of the Balancing Target Model

- Intended to piece together some of the different elements through use of an example

- Will hopefully help inform discussions for the rest of the session

- Important to note it is just one set of scenarios – somewhat exaggerated to demonstrate effects.

- Have some volunteers to help us out

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The Topics

- Now

- Tolerances
- Balancing Platform
- Imbalance Proxies
- Flexible Gas

- Imbalance
- Operational Balancing
- Within Day Obligations
- Neutrality
- Nominations
- Linepack Flexibility Service
- Information Provision
- Cross Border
- Incentives

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The Topics Covered

Now

Tolerances

Balancing Platform

Imbalance Proxies

Flexible Gas

Imbalance

Operational Balancing

Within Day Obligations

Neutrality

Nominations

Linepack Flexibility Service

Information Provision

Cross Border

Incentives

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The Scenario

- ➤ Balancing Zone consisting on a Transmission System
- ➤ 2 Cross Border IPs
- ➤ Balancing Zone offtakes
  - ➤ IDM
  - ➤ DM
- ➤ Distribution System
  - ➤ IDM
  - ➤ DM
  - ➤ NDM
- ➤ Liquid Market at VTP
- ➤ Production Field

The Actors

	Network User - Alpha • Andrew Pearce
	Network User - Beta • Kees Bouwens
	Transmission System Operator (TSO) • Noel Regan, ENTSOG
	Distribution System Operator (DSO) • Joost Gottmer

The Scenario

In the Interest of simplicity the following actors have been omitted

- ➤ NRA
- ➤ ACER
- ➤ Market Operator
- ➤ Producer
- ➤ Others

The Scenario

Assumptions:

- Base Case Information Flows (2 others types possible)
- No Within Day Obligations
- Small adjustment of 1
- A functioning liquid market is in place
- DSO has role of Forecasting Party responsibility (need not be DSO)
- Allocation equals confirmed nomination at IP
- Allocation does not equal confirmed nomination at Production entry
- There are Network Users other than Alpha and Beta on the system
- All related to "Day D"

A scenario to demonstrate issues – not the only interpretation of FGs

Gas Day D-1 | Gas Day D | Gas Day D +1

➢ Actions Described here

VTP

Distribution System
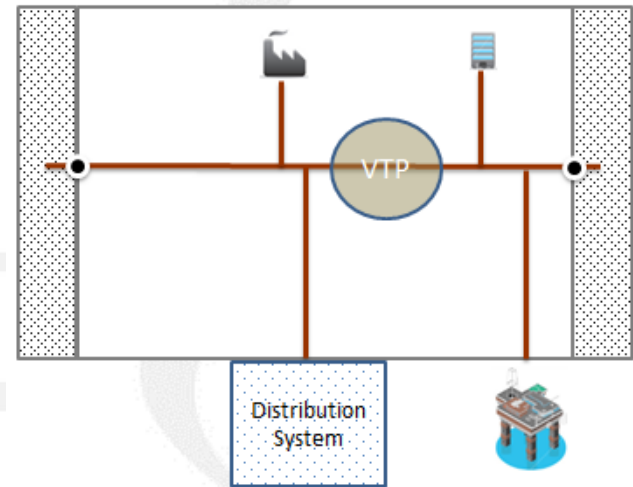
Summary

Day Ahead

The DSO

Information Flows to Network Users

- The DSO Provides the TSO with:
- Offtakes from previous day (D-2)

Type	Alpha	Beta
IDM	40	0
DM	20	30
NDM	45	55

- Forecast for following day NDM Offtakes Day D

Type	Alpha	Beta
NDM	55	60
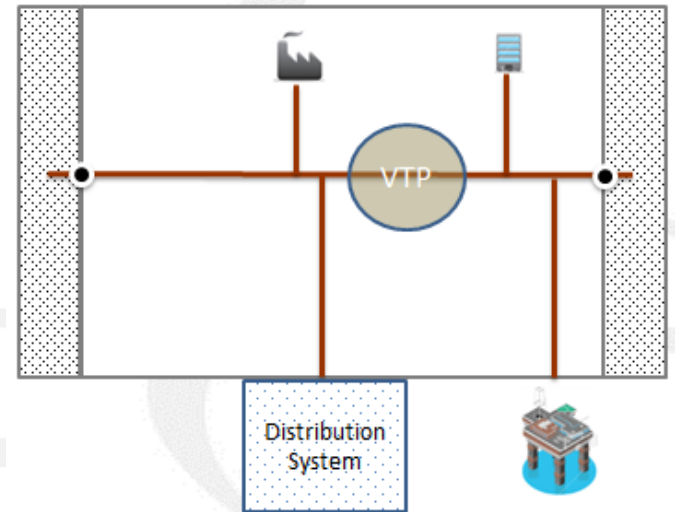
Incentives

- Potential incentive on accuracy of NDM Derived Forecast

DSO Provides Information to TSO

The TSO

Information Flows to Network Users

➢ TSO Provides Alpha and Beta individually:

➢ Offtakes from previous day

Type`	Alpha	Beta
IDM	120	40
DM	40	45
NDM	45	55

Includes info from DSO

➢ Forecast for following day NDM Offtakes, DayD

Type	Alpha	Beta
NDM	55	60
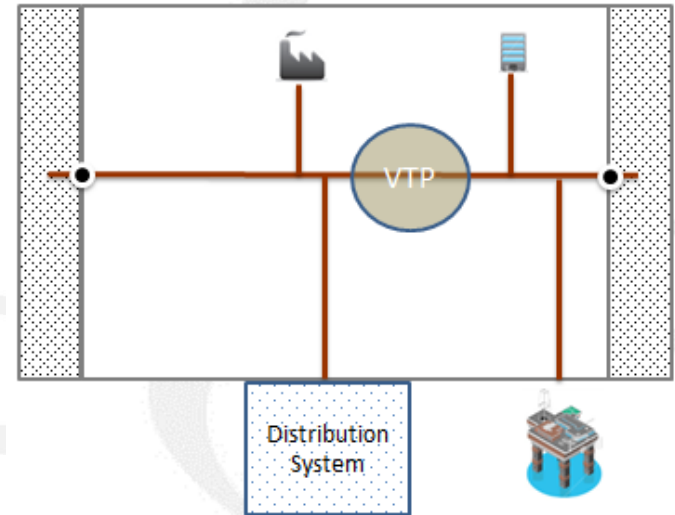
TSO Provides Information Network Users

Alpha

➢ Alpha estimates its offtakes for Day D:

Type	Qty	Note
IDM	160	CCGT on
DM	40	Predictable
NDM	55	Forecast
Total	**255**	
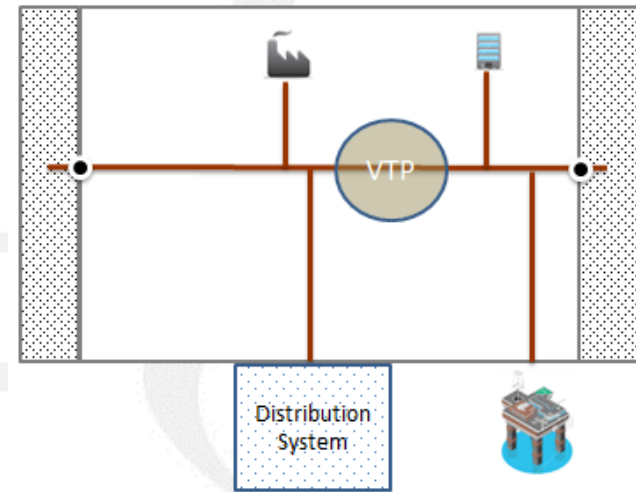
➢ Alpha has the following gas in place

Type	Alpha
Prdn'	100
Imports	100
Total	**200**

Alpha organises its portfolio

Alpha

Gas Day D-1 | Gas Day D | Gas Day D +1

➢ Alpha is 55 short

➢ Market Prices are 18

➢ It decides not to balance on the basis it expect prices to fall

Nominations

➢ Alpha nominates its Day D flows to the TSO before the Nomination Deadline

  ➢ 100 at IP — Harmonised Rules
  ➢ 100 at prod'n
  ➢ 255 Offtakes — National Rules

VTP

Distribution System

ns

Rules
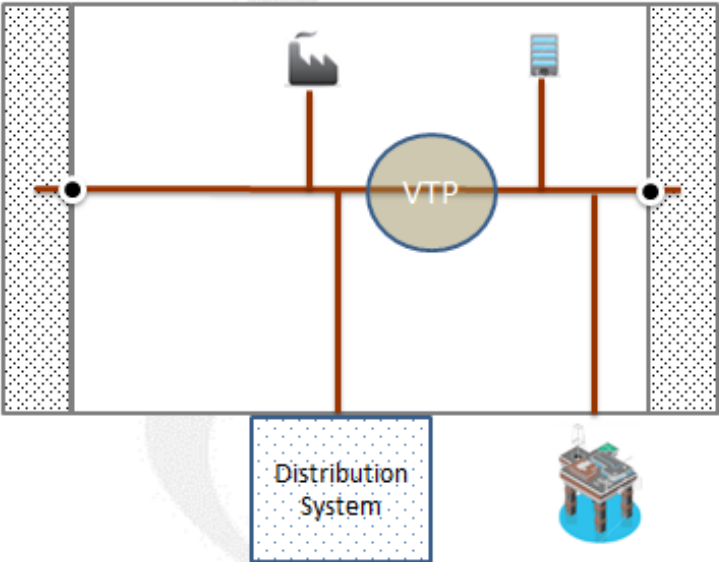
Alpha goes short, Nominates Day Ahead

Beta

| Gas Day D-1 | Gas Day D | Gas Day D +1 |

➤ Beta estimates its offtakes for Day D:

Type	Qty	Note
IDM	35	CHP off
DM	45	Predictable
NDM	60	Forecast
Total	**140**	

➤ Beta has the following gas

Type	Qty
VTP	30
Imports	100
Total	**130**
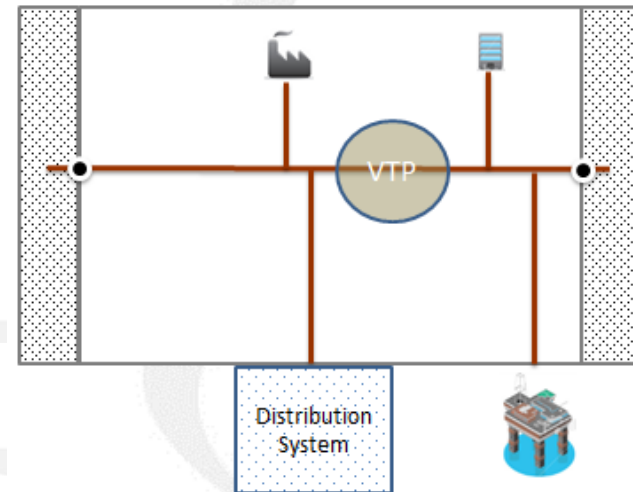
Beta organises its portfolio

Beta

β

Gas Day D-1 | Gas Day D | Gas Day D +1

- ➤ Beta is 10 short, Market Prices are 18
- ➤ It decides to purchase on the VTP

Standard Short Term Products

- ➤ It purchases a short term product

➤ Delivery	VTP
➤ Volume	10
➤ Type	Title
➤ Price	18
➤ Delivery	Day D
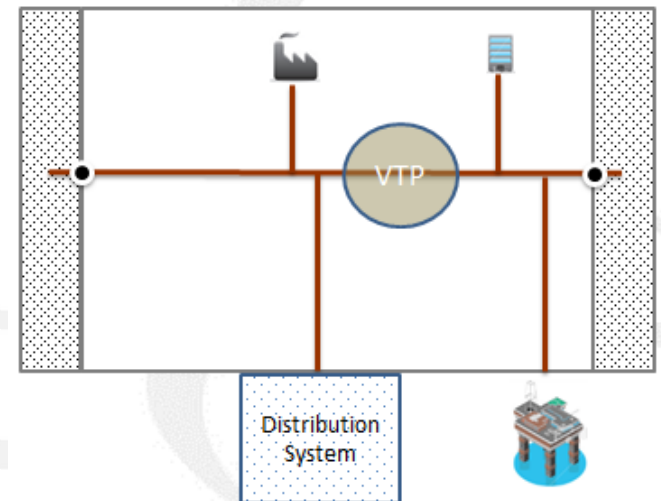
Nominations

- ➤ Beta nominates its Day D flows to the TSO before the Nomination Deadline

Notifications

- ➤ VTP Trade Notification

Distribution System

VTP

Beta trades at VTP, Notifications, Nominates

TSO

Gas Day D-1 | Gas Day D | Gas Day D +1

Nominations

➢ The TSO Nomination Process

Notifications

➢ VTP Trade Notification

Distribution System
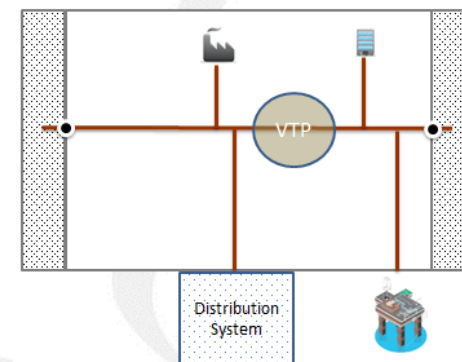
TSO Nominations, Notifications

Beta

β

➢ Beta has a new overall forecast position for Day D:

Type	Qty	Note
IDM	35	CHP off
DM	45	Predictable
NDM	60	Forecast
Total	**140**	

➢ Beta has the following gas

Type	Qty
VTP	30 + 10 = 40
Imports	100
Total	**140**
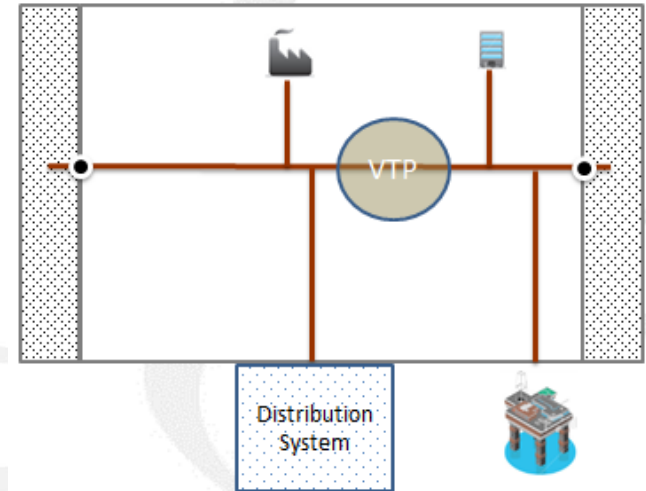
Beta is now fore casted to be Balanced

29

TSO

Gas Day D-1   Gas Day D   Gas Day D +1

Operational Balancing

➢ The TSOs operational team require a balancing action day ahead.

➢ Taking account of 'merit order' it purchases a short term product

➢ Delivery	VTP
➢ Volume	5
➢ Type	Title
➢ Price	20
➢ Delivery	Day D

Information Flows to Network Users

➢ The TSO publishes a new day Ahead Marginal Buy of 20 (>18+1)
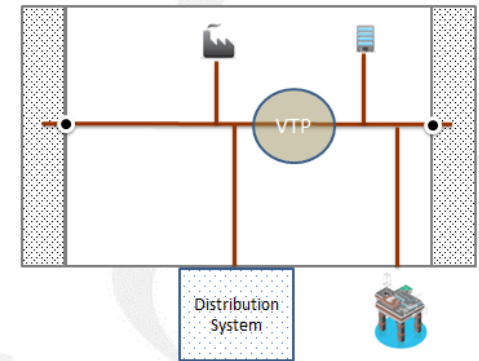
Incentives

➢ Potential incentive on selection of balancing product

➢ Potential incentive on minimising balancing costs

Balancing Action, Standard Products, Publishing Marginal Price, incentives

Alpha

Daily Imbalance Charge

➢ Alpha expect to be 55 short

➢ Exposed to new Marginal Buy Price of 20 versus average price of 18

Standard Short Term Products

➢ It purchases a short term product

➢ Delivery	VTP
➢ Volume	40
➢ Type	Title
➢ Price	20.5
➢ Delivery	Day D

➢ Alpha enters Day D 15 short
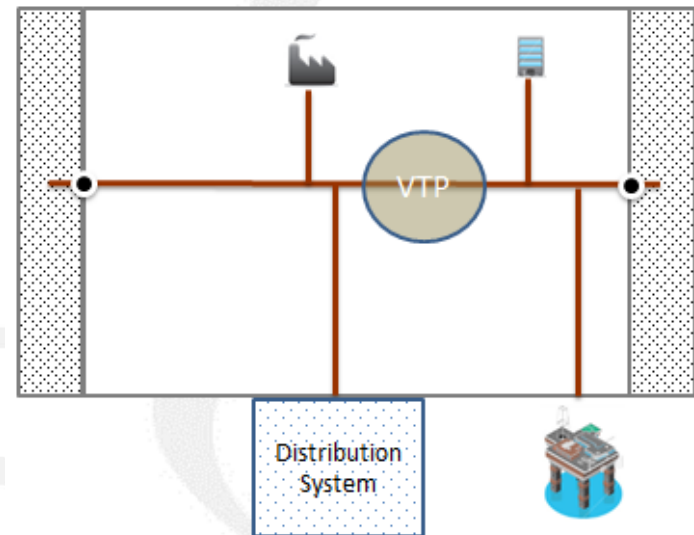
Alpha trades due to Marginal Buy Price change

TSO

Gas Day D-1 | Gas Day D | Gas Day D +1

Notification

➢ VTP Trade notification

Distribution System

VTP
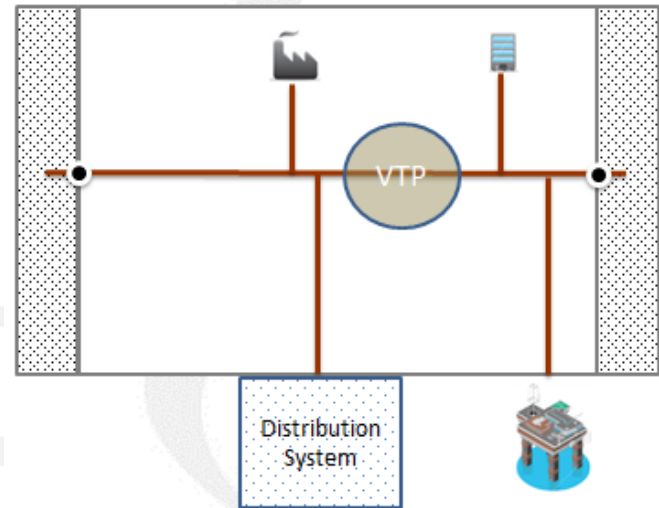
Trade Notification

Recap

Illustrations demonstrated:

- Day Ahead Information Flows

- Nominations

- Incentives

- Notifications

- Daily Imbalance Charge

Questions?

Within Day

Single Cycle

The DSO

Information Flows to Network Users

➢ The DSO Provides the TSO with Updated Within Day Information

Type`	Alpha	Beta	
IDM	10	0	Flows
DM	-	-	
NDM	49	45	Revised EOD Forecast
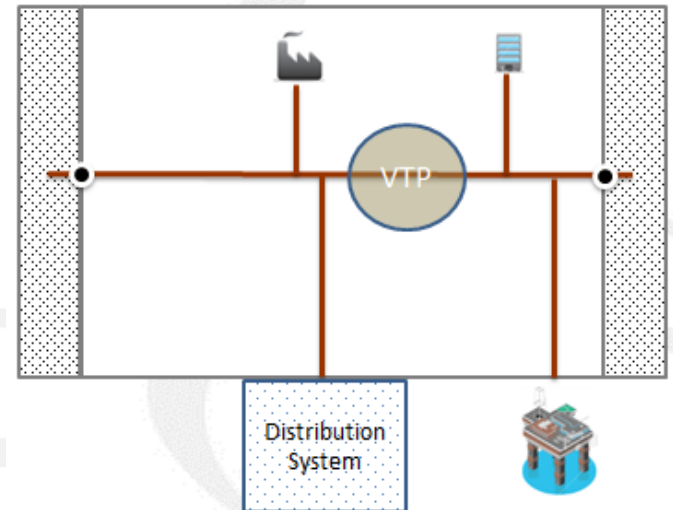
2. Incentives

➢ Potential incentive on accuracy of NDM Derived Forecast

Beta's NDM Derived Forecast has changed more than Alpha's

The TSO

Information Flows to Network Users

➢ The TSO Provides the Network User with updated Within Day Information

Type`	Alpha	Beta	Comment
IDM	38	9	Actual Flow
DM	-	-	
NDM	49	45	End of Day
IP In	100	100	Confirmed Nom
Prod'n	26	N/A	Actual Flow
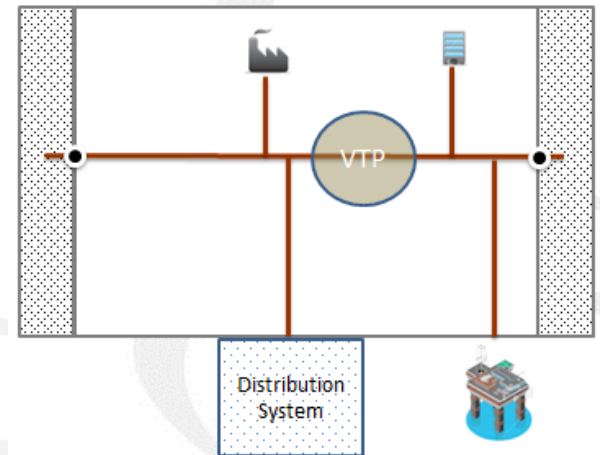
➢ System Information (Transparency Guidelines)
  ➢ TSO published Linepack information throughout the day

TSO Provides Updated Information to Network User

Alpha

Gas Day D-1 | Gas Day D | Gas Day D +1

➢ Alpha reassess its EOD position

Type	Qty	Note
IDM	140	Based on flow info
DM	40	Predictable
NDM	49	Forecast
Total	**229**	

➢ Alpha has the following gas

Type	Alpha
Prdn'	100
Imports	100
VTP Buys	40
Total	**240**

Distribution System

VTP
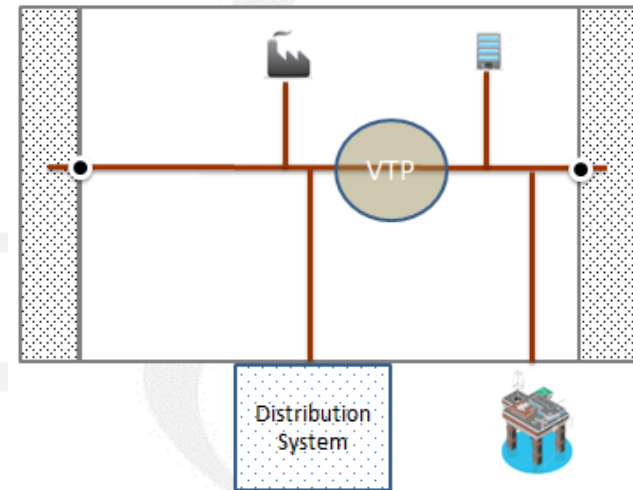
The information revealed its IDM Offtakes were less than expected

Alpha

Renominations

➢ Alpha renominates down 11 units at its imports to balance within day

Distribution System

Alpha Renominates at the IP

TSO

Nomination

- ➤ TSO Nomination Process

Nomination

Beta

β

Gas Day D-1　　　　　Gas Day D　　　　　Gas Day D +1

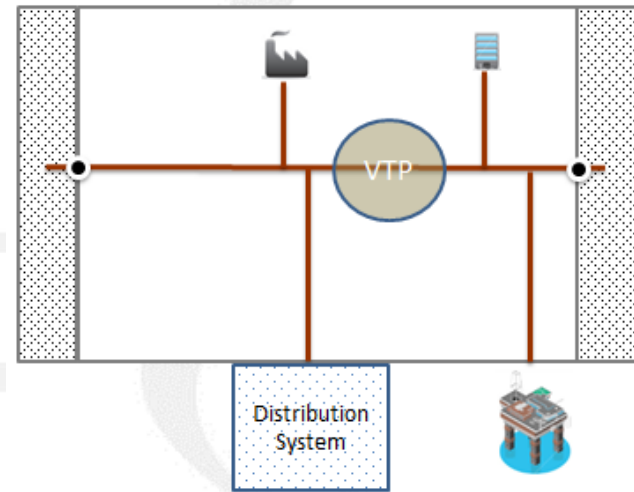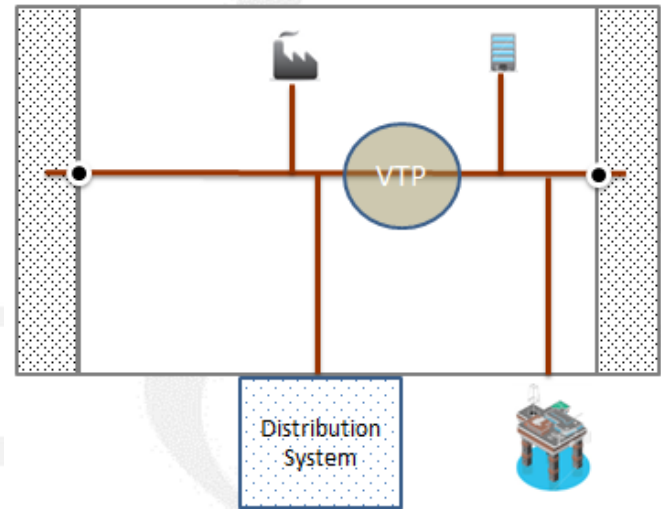➤ Beta reassess its eod position

Type	Qty	Note
IDM	35	Based on flow info
DM	45	Predictable
NDM	45	Revised EOD Forecast
Total	**125**	
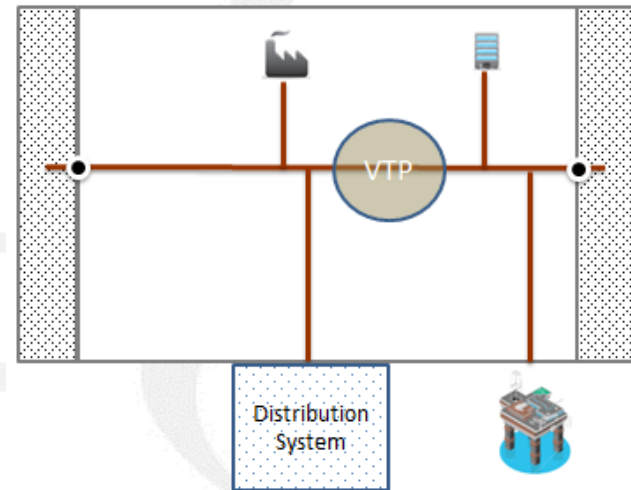
➤ Beta has the following gas

Type	Qty
Imports	100
VTP Buys	40
Total	**140**

VTP

Distribution System

Drop in NDM Derived Forecast leaves Beta long

Beta

β

Gas Day D-1 | Gas Day D | Gas Day D +1

➢ Beta sells 15 units of gas at the VTP

(Slides do not show notification)
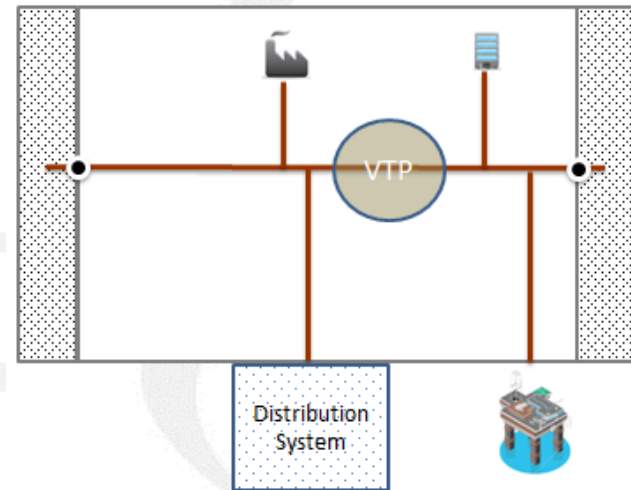
Beta sells gas to balance its forecasted position

TSO

1. Operational Balancing

➢ The TSOs operational team requires additional gas (a balancing action) within day.

➢ The issue is a local one in the area highlighted
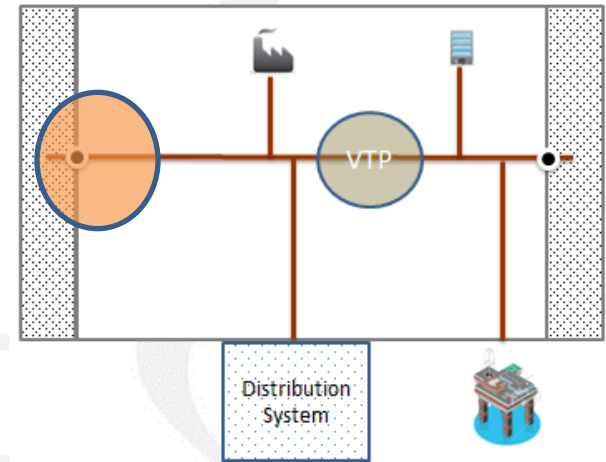
Balancing Action requirement

TSO

Gas Day D-1 — Gas Day D — Gas Day D +1

1. Operational Balancing

➢ The TSO has the following options:

 ➢ Short Term Products

  ➢ Title Market Transaction ✗

  ➢ Locational Market Transaction ✓

  ➢ Temporal Title Market Transaction ✗

  ➢ Temporal Locational Market Transaction ✓

 ➢ Balancing Services ✓

  ➢ Can be delivered in this area

2. Merit Order

➢ Informs selection of Product

3. Incentive

➢ Potentially influences selection of product

Standard Products, Merit Order, Incentives

TSO

Gas Day D-1 | Gas Day D | Gas Day D +1

Operational Balancing

➤ The TSOs purchases its requirements on the trading platform
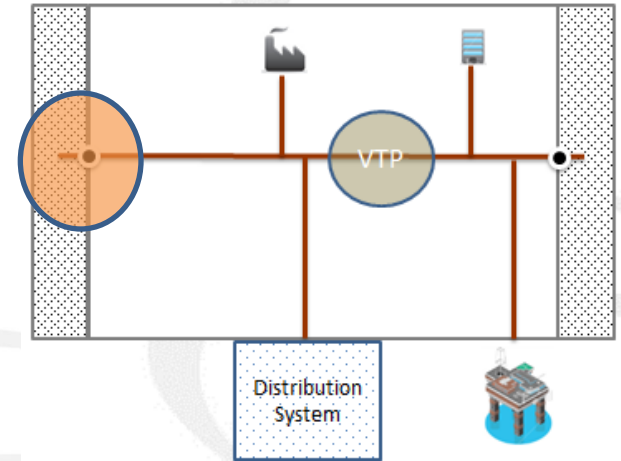
➤ Delivery	Specified IP
➤ Volume	3
➤ Type	Locational
➤ Price	22 (best offered price)
➤ Delivery	Day D
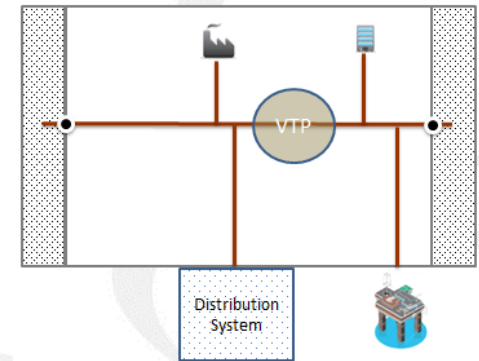
Nominations

➤ The TSO requires a revised Renomination at the specific entry point to ensure delivery

Information Flows to Network Users

➤ The TSO does not alter the SMP as it is not price effecting

➤ May effect linepack information when published

Standard Products, Publishing SMP, Nominations

Recap

Illustrations Demonstrated

- Within Day Information Flows

- Renominations

- Incentives

- Operational Balancing

- Merit order

- Daily Imbalance Charge

Questions?

After the Day

The DSO

Gas Day D-1   Gas Day D   Gas Day D +1

Information Flows to Network Users

➢ The DSO Provides the TSO with Initial Allocation Information

Type`	Alpha	Beta
IDM	42	0
DM	21	28
NDM	47	43
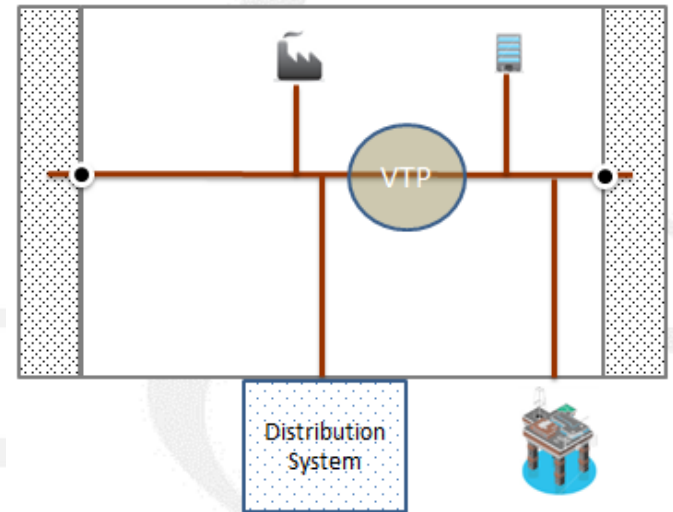
DSO Provides Information

The TSO

Information Flows to Network Users

➤ TSO Provides Alpha and Beta individually Offtakes and Inputs for Day D

Type`	Alpha	Beta
IDM	(141)	(34)
DM	(42)	(46)
NDM	(47)	(43)
VTP	40	25
Prodn	98	0
Imports	89	100
Imbalance	**3 short**	**2 Long**

Initial Allocation

Alpha

Gas Day D-1 | Gas Day D | Gas Day D +1
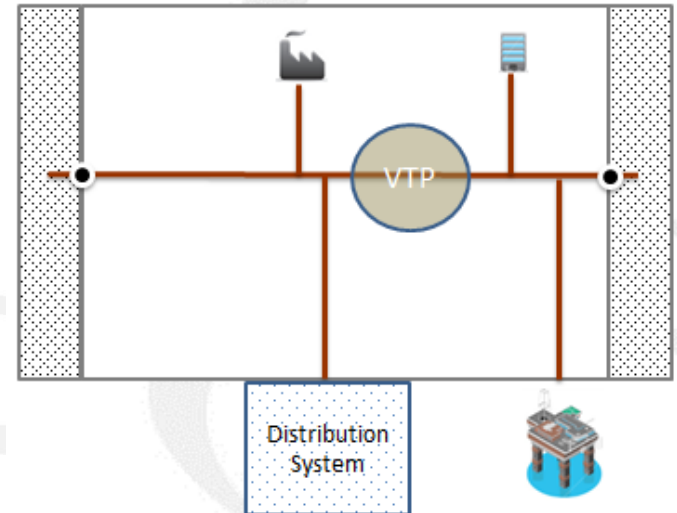
Daily Imbalance Charge

➤ Alpha queries an Allocation – can be several reasons

Distribution System
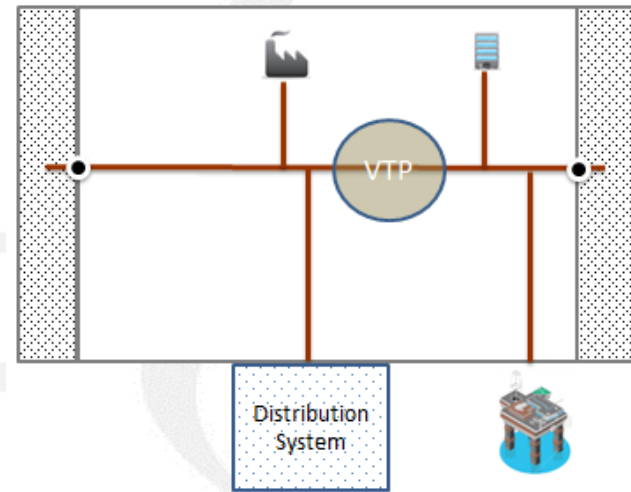
Alpha challenges an Imbalance

TSO

20th Business Day following month
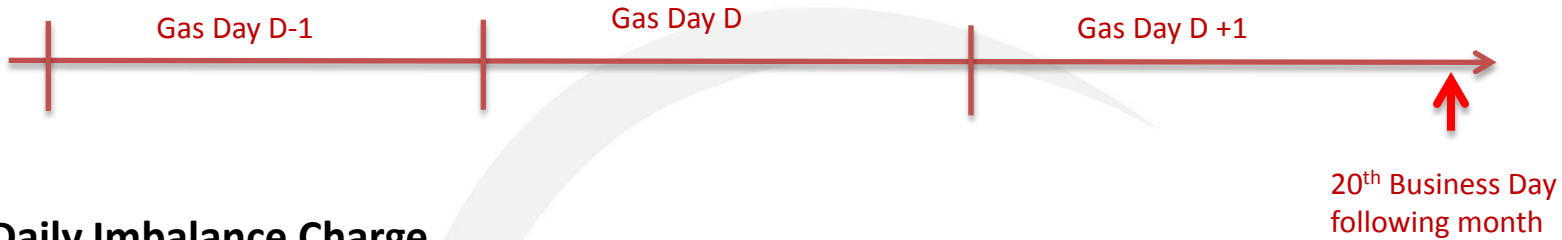
Daily Imbalance Charge

➢ TSO checks it and finds a meter issue and reallocates this figure.

• TSO issues final allocations

Type`	Alpha	Beta
IDM	(143)	(34)
DM	(42)	(46)
NDM	(47)	(43)
VTP	40	25
Prodn	98	0
Imports	89	100
Imbalance	**5 short**	**2 Long**

Distribution System

Final Allocation

51
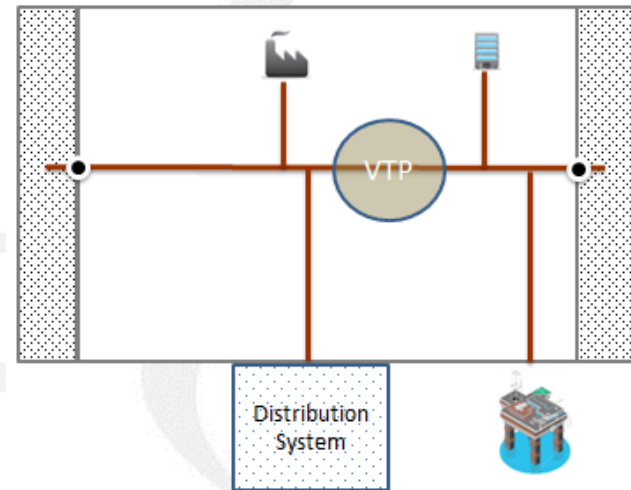
The TSO

Daily Imbalance Charge

➢ TSO derives Alpha and Betas Charges

Type	Alpha	Beta
Qty	(5)	2
Price	20	17
Value	Pays 100	Paid 34
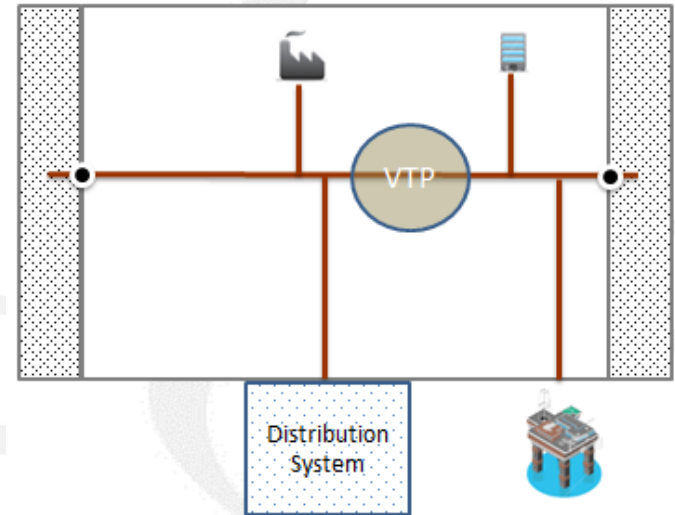
Daily Imbalance Charge

The TSO

Neutrality

➢ TSO assesses its costs versus incomes

Type	
Daily Imbalance	+66
Balancing Actions	(166)
Value	(100)

➢ NB THERE ARE OTHER NETWORK USERS THAN ALPHA AND BETA

➢ The shortfall charge must be recovered though neutrality (assuming other Network Users are perfectly balanced)
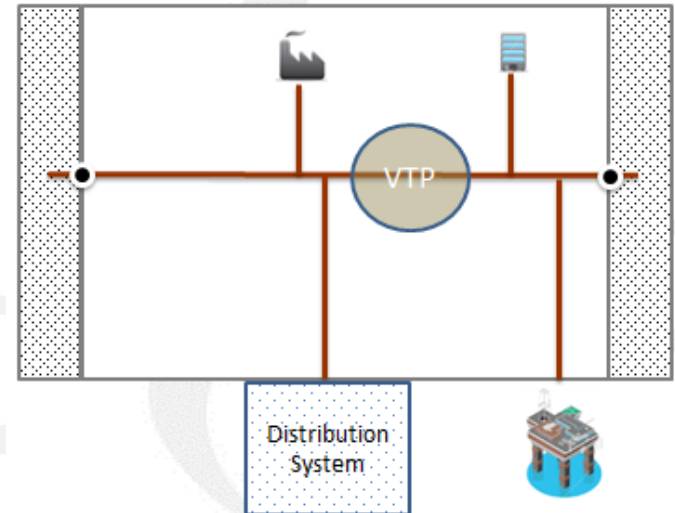
Neutrality

Recap

Illustrations Demonstrated

- Daily Imbalance Charge
- Settlement / Neutrality

Questions?

entsog

Balancing system

Ruud van der Meer

Entry/exit system – an overview
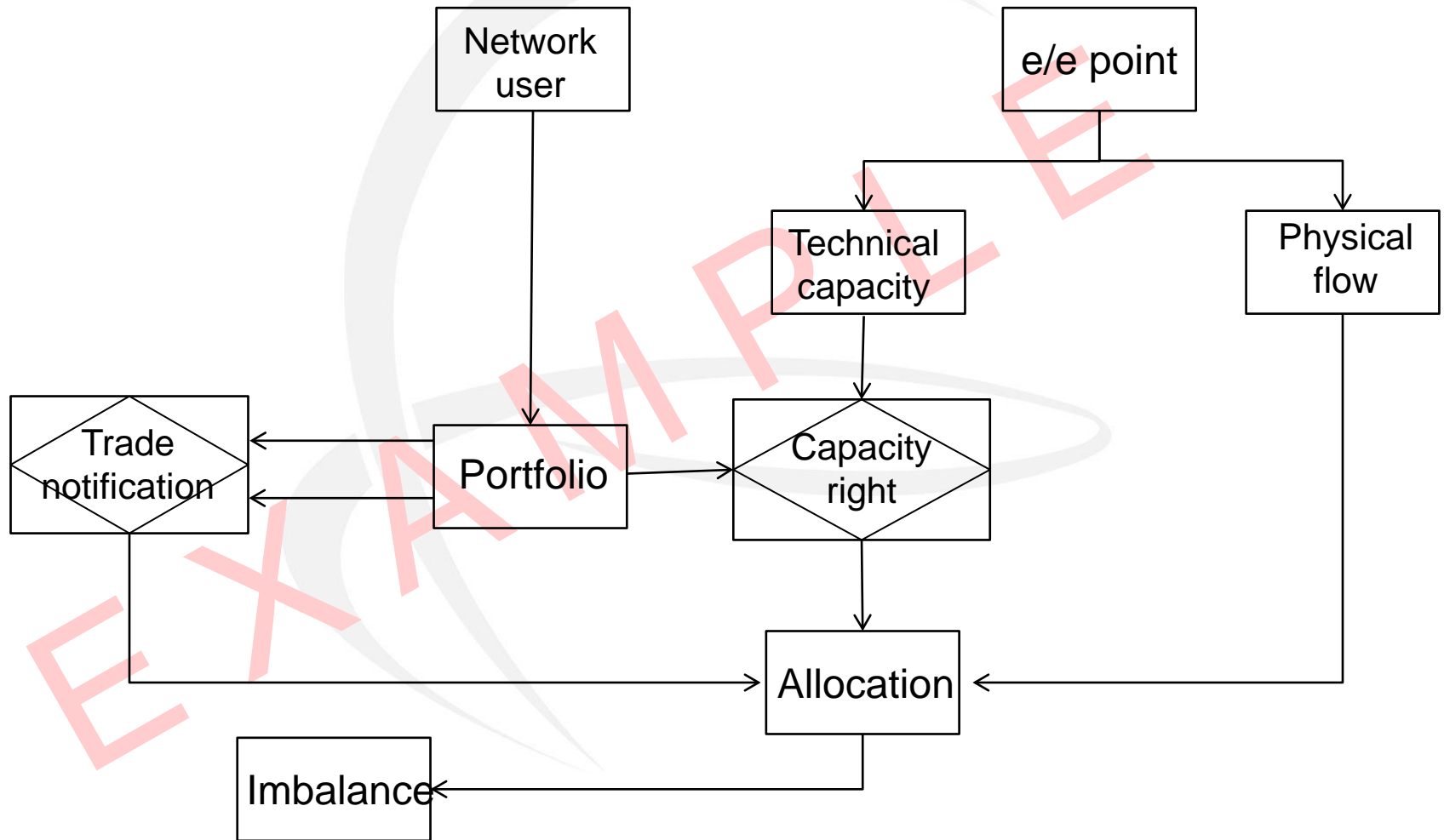
Trade notification

Where two network users agree to do so, they may make in respect of any Day corresponding notifications (respectively a "Disposing Trade Notification" and an "Acquiring Trade Notification") .

If the TSO has received a corresponding set Trade Notifications and the quantities are matched

Then the TSO will allocate the Trade Notification Quantity to the portfolio of the two network users:
(a) an exit allocation to the portfolio of the network user making the Disposing Trade Notification; and
(b) an entry allocation to the portfolio of the network user making the Acquiring Trade Notification.

Trade notifications - 2

A network user may make a Trade Notification irrespective of whether the network user makes any Nomination for the day in respect of which the Trade Notification is made.

A Trade Notification shall specify:

(a) the Gas Flow Day;

(b) the identification of the network user's portfolio;

(c) the identification of the network user's portfolio for which the corresponding Trade Notification is to be made;

(d) whether it is a Disposing Trade Notification or an Acquiring Trade Notification;

(e) the Trade Notification Quantity in kWh:

    i.   Daily Notification Quantity; or

    ii.   Within-day Notification Quantity for each within-day period in the day (e.g. hourly Notification Quantity).

Operational balancing

Detailed business rules

Evolution of topic

Launch workshop
- Product for balancing the system
- Introduction of merit order

SJWS1
Hypothesis on balancing tools

Definition of products

Initial views on use of products and merit order

SJWS2
Trading platforms

SJWS3
Detailed business rules on
- Short term balancing products
- Trading platforms

SJWS5
Detailed business rules

-TSO balancing actions

-Merit order

- Trading platform

-Short term Standardized Products

-Procurement of balancing services

TSO balancing actions

TSO will take balancing actions either
- through buying or selling of flexible gas

- trading day-ahead or intra-day

- in short term standardized products

- on a Trading Platform

- on an equal basis with network users

  - with possibly a balancing platform as an interim step

- through the use of a balancing service

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TSO's balancing action - overview

Overview – short term standardized products

Temporal aspects
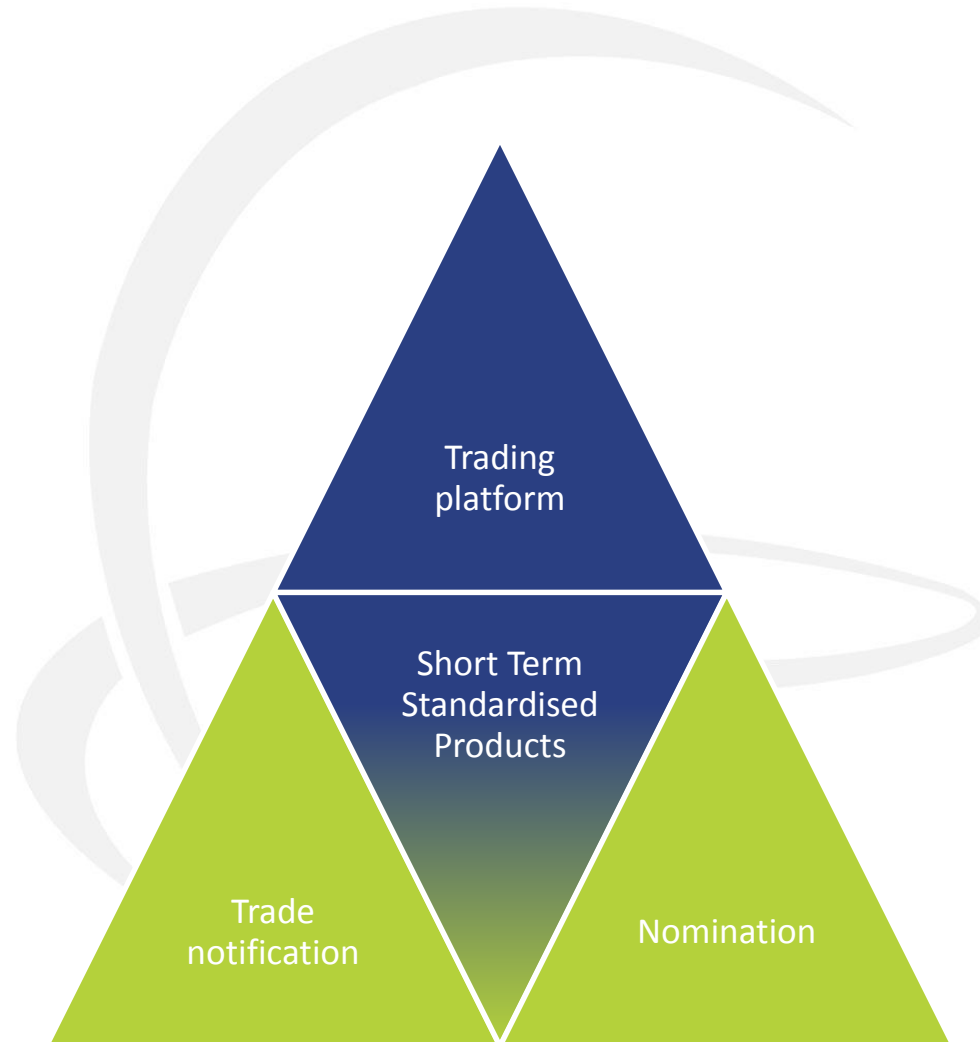
	During the balancing period (up to EoD)	During a specific window of time during the balancing period
At the VTP	Title market transaction	Intra-day title market transaction
Renominations required at specific point(s) of the system	Locational market transaction	Intra-day locational market transaction

Locational aspects

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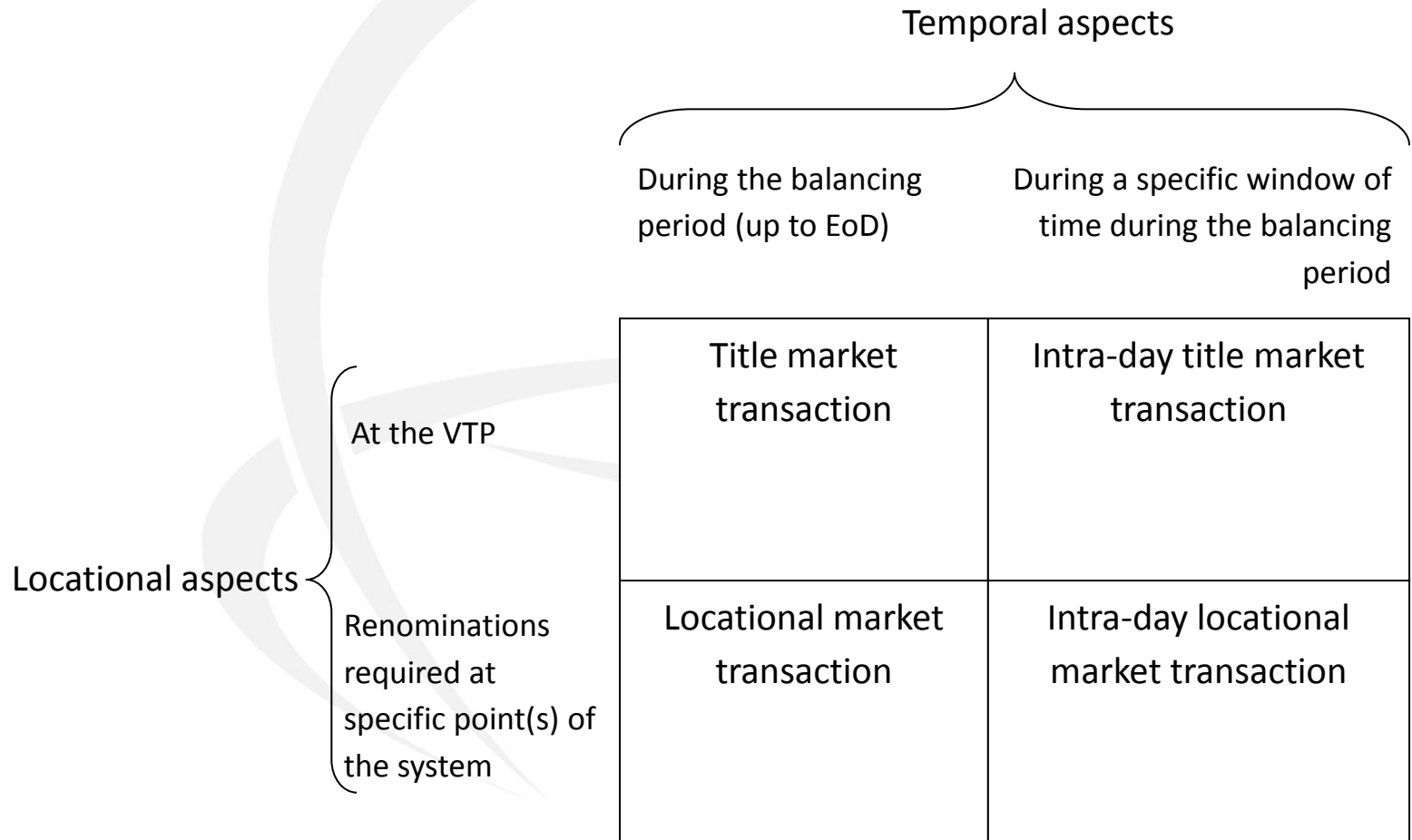
Title Market Transaction

A Title Market Transaction is a transaction effected

- between two Trading Participants
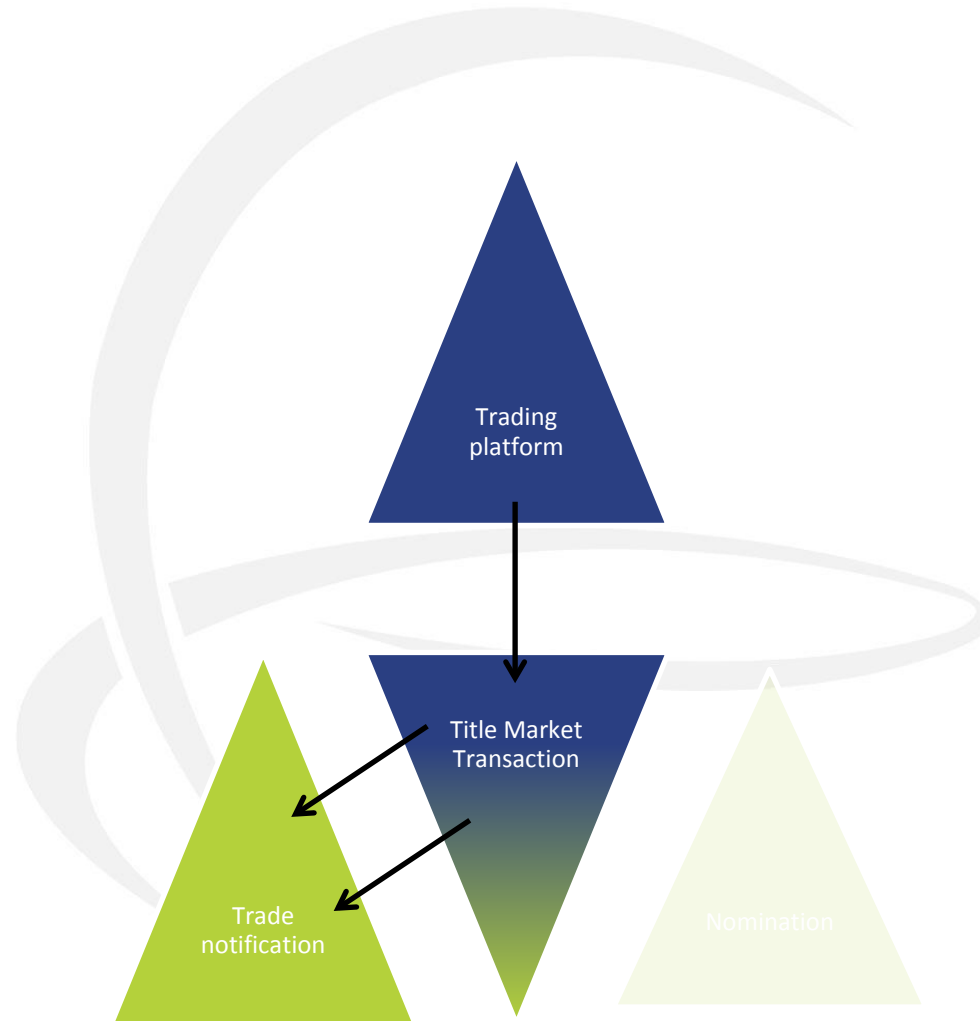
- each of the Participants agrees to make Trade Notifications

Title Market Transaction

Attributes of Title transaction

The Originating Participant will specify a quantity in its bid or offer. The Notification Quantity will be:

- A Daily Notification Quantity equal to the quantity included in the trade
- An Hourly Notification Quantity
    - equal to the hourly quantity included in the trade, for all hours of the day from the specified Transfer Start Time
    - zero for all hours before the Transfer Start Time

- A Daily Notification Quantity is used in Daily nominated regimes
  an hourly notification quantity is used in hourly nominated regimes

Locational market transaction - definition

A Locational market transaction is a Title Market Transaction pursuant to which the Originating Party agrees:

- – to modify the quantity of gas to be delivered to and/or off taken from the System by the network user in aggregate on the gas Day by an amount equal to the Trade Notification Quantity (and to modify the rate of such delivery and/or off take accordingly); and

- – accordingly to make a Nomination(s) or Renomination(s) in respect of the specified system point(s) (in the bid or offer) in accordance with the Nomination rules.

Locational Market Transaction

Attributes of Locational transaction

The Originating Participant will specify in its bid or offer

- A quantity

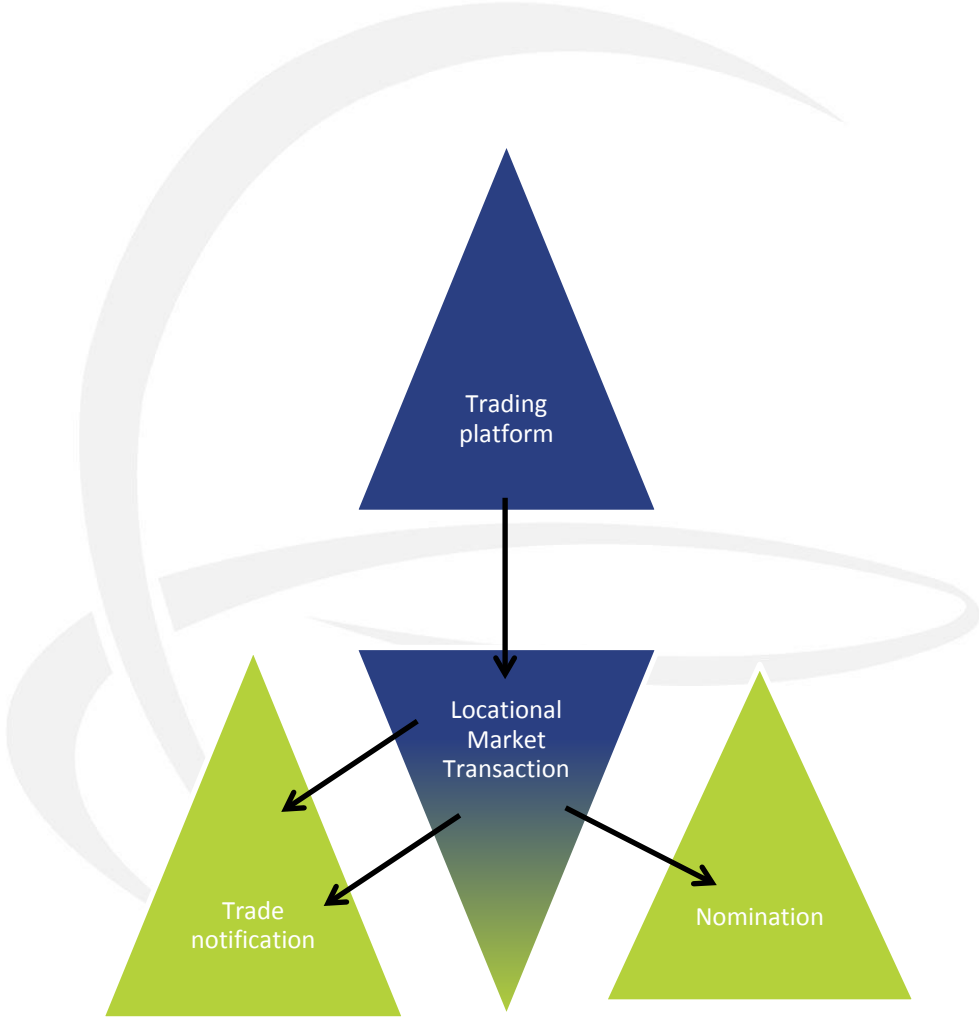- A Transfer Start Time

The Notification Quantity will be:

- A Daily Notification Quantity equal to the quantity included in the trade
- An Hourly Notification Quantity

  - equal to the hourly quantity included in the trade, all hours of the day from the specified Transfer Start Time

  - zero for all hours before the Transfer Start Time

The associated (re)nomination will

- Be made for the entry/exit point(s) specified

- Take effect at the specified Transfer Start Time

- In line with the amount in the Trade Notification Quantity

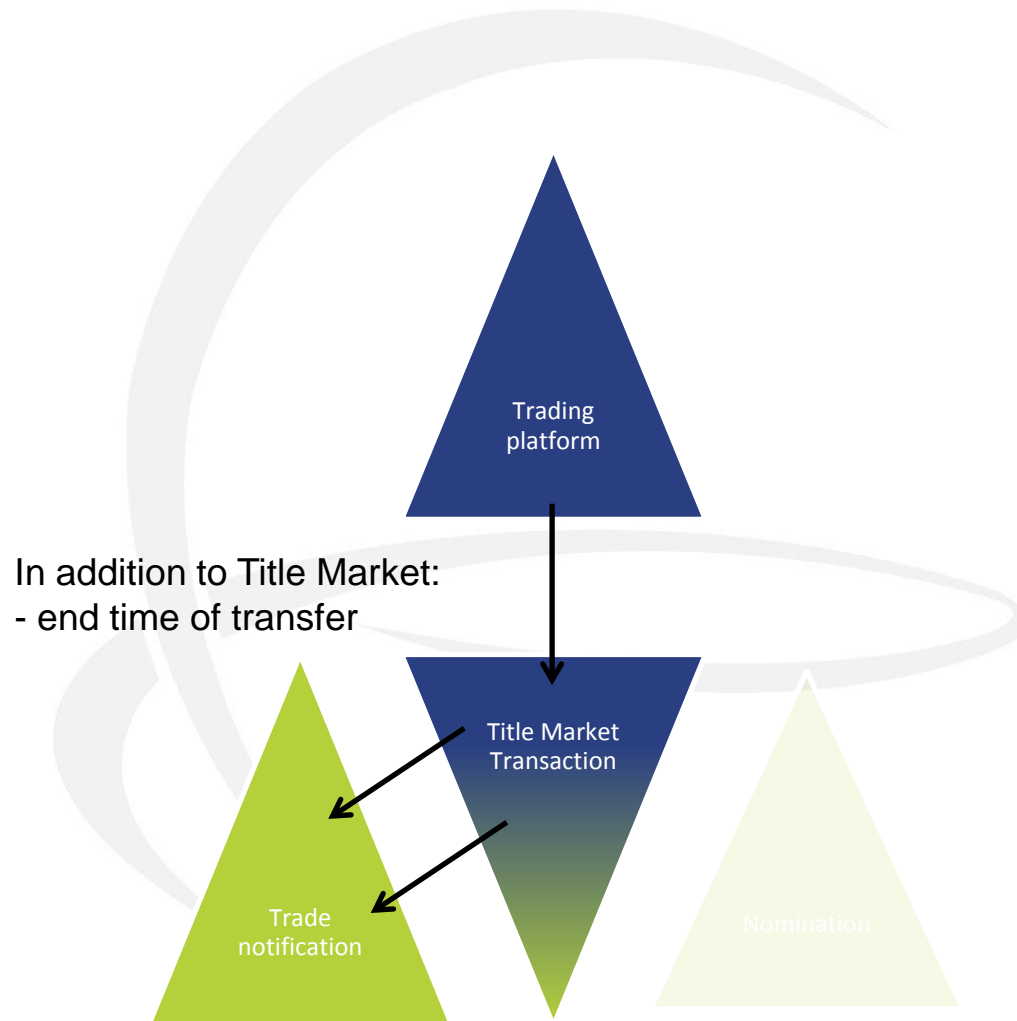# Temporal market transaction - definition

A Temporal market transaction:

- Title Market Transaction
- with the transfer of gas during a specific period of time within the day

Only relevant is systems with hourly trade notifications

Temporal Market Transaction

Trading platform

In addition to Title Market:
- end time of transfer

Title Market Transaction

Trade notification

Nomination

Temporal market transaction - attributes

The Hourly Notification Quantity in the Trade Notifications will be:
- Equal to zero for all hours before the Transfer Start Time
- Equal to zero for all hours beyond the Transfer End Time
- Equal to the specified quantity for all other hours during the Gas Day

This product shall only be used when it's assessed as more efficient than of using a set of two Title Market Transactions (a buy and a sell)

Temporal Locational market transaction - definition

A Temporal Location market transaction:

- Locational Market Transaction
- with the transfer of gas during a specific period of time within the day

Only relevant in systems with hourly trade notifications

Trading Platform

- Trading Platform is
  - an electronic platform
  - provided and operated by a Trading Platform Operator
  - by means of which registered Network Users and TSO may post and accept (and revise and withdraw) bids and offers for flexible gas

- TSOs shall trade Short Term Standardised Products on a Trading Platform

- The TSO shall ensure that
  - relevant Short Term Standardized Products can be traded at a Trading Platform.
  - the Trading Platform supports network users and TSOs to take appropriate balancing actions
  - where necessary on a close to 24/7 basis, or as defined by the TSO

Information flows

- Trading Platform operator
  - will inform Network users of the trades they have undertaken
  - on a real-time basis

- Network users
  - will inform the TSO of the trades they have undertaken (Trade Notifications)
  - unless an agent performs that role on their behalf.

- The Trading Platform Operators will either

  (a) publish the evolution of settlement prices following each completed transaction as soon as reasonably practicle: evolution of average price and Marginal Buy and Sell Prices

  (b) provide the TSO with the relevant information necessary for the evolution of settlement prices following each completed transaction as soon as reasonably practicle

Merit order

TSO's decisions on the products to use in taking balancing actions:

- consider those product that will be most efficient

- TSO will trade Title Market Products wherever possible

- Locational products where

  - the genuine system needs require a clear physical response (flow reduction or increase)

  - at a particular system point or sub-system with a specific lead-time

- Temporal products where

  - the genuine system needs of the TSO require a physical response

  - to be addressed in a particular time period

  - The benefits of a temporal product would outweigh the benefits of using a set of two Title Market Transactions (a buy and a sell) or two Locational Market Transactions

- Short term standardised balancing products in preference to balancing services

  - Use of balancing services to manage those situations in which the buying/selling of standardised short term products are not sufficient to meet the TSOs needs
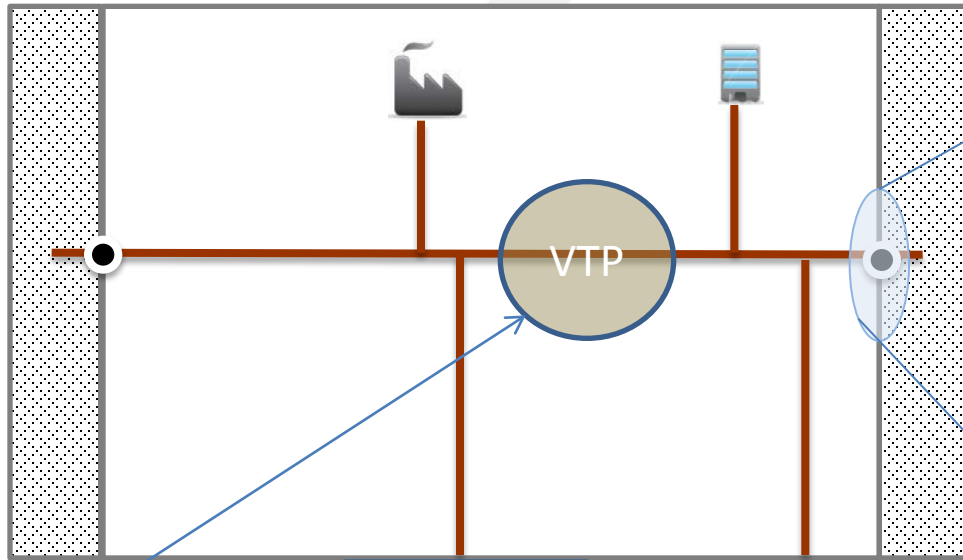
Operational Balancing tools

Some examples

Title market transaction

Locational market transaction

VTP

Distribution System

Production has stopped
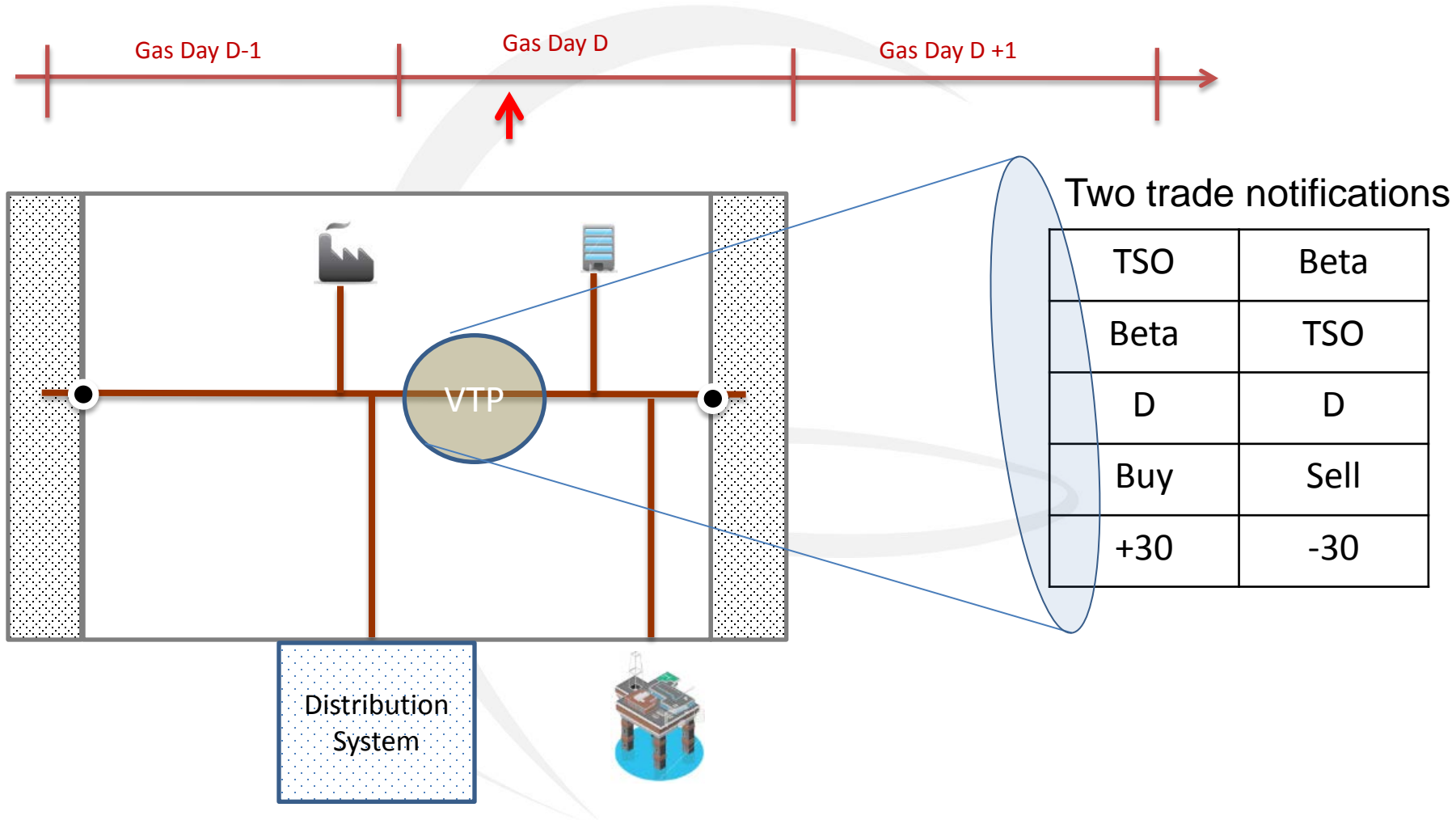
TSO needs to have gas in east:
Locational trade at cross-border

Beta renominates entry
on IP-East

Beta
IP-East
D
14:00
Entry
+30

TSO	Beta
Beta	TSO
D	D
Buy	Sell
+30	-30

Two
trade notifications

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Neighboring market transaction

Managing within-day position - scenario
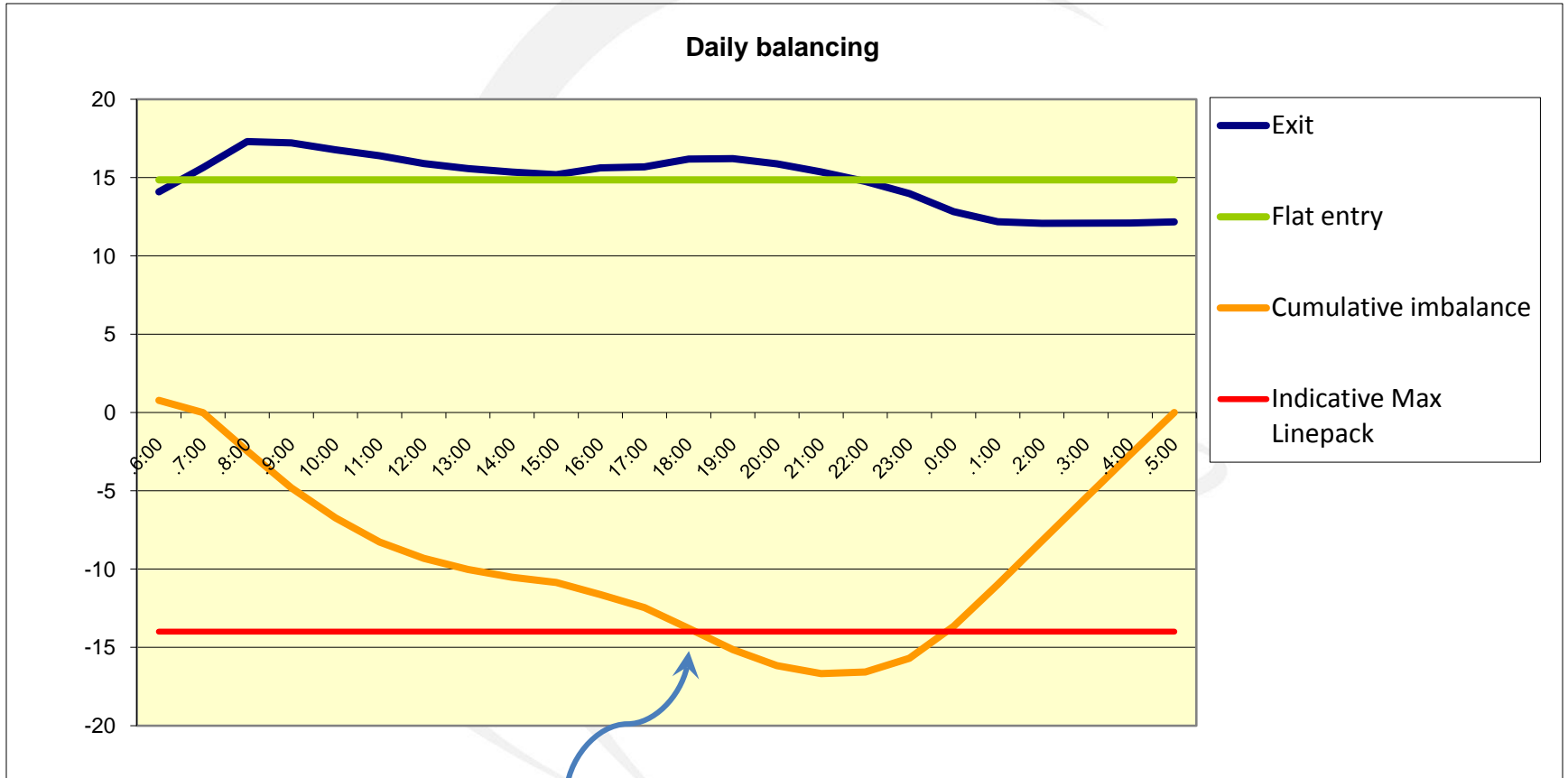
TSO needs to steer cumulative imbalance back within operational envelope
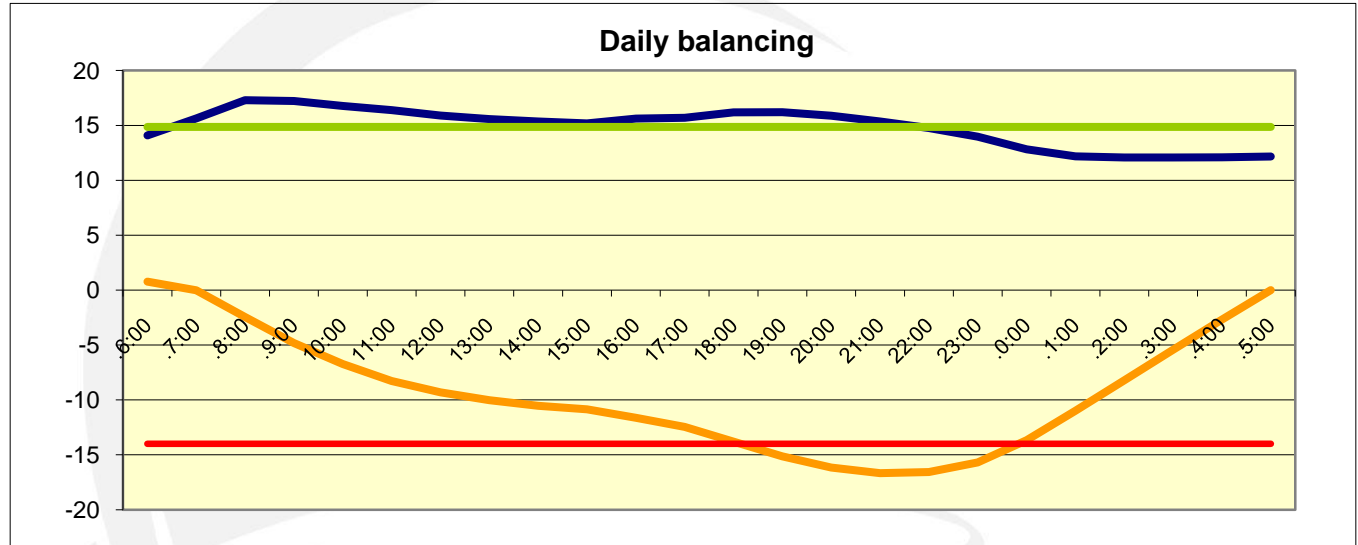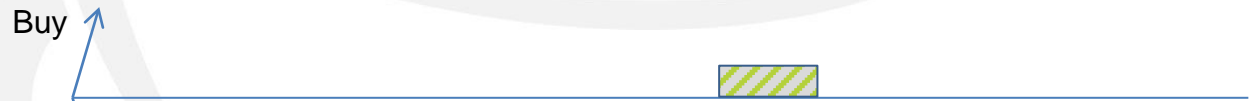
Managing within-day position - options

Procurement of balancing services

- The TSO shall procure balancing services for those situations in which Short Term Standardised Products will not or are not likely to provide the response necessary to keep the system within accepted operational envelope.

- In this context TSO will consider at least

  - Liquidity in the relevant wholesale market

  - Lead-time of balancing actions relative to response time of the Short Term Standardised Products

  - Frequency with which a balancing action needs to be taken

  - Location at which the flexible gas is needed

  - Gas quality in different subsystems

Balancing services - transparency

- TSO shall regularly review the use it has made of its balancing services
  - in order for the TSO to determine the extent to which balancing servcies have to be bought for the next period.
- TSO shall publish the value of the balancing services it has procured and the use it has made of these services

Nominations in the Balancing Network Code

Colin Hamilton

Information Flows Kernel Group

Context

- Guidance from ACER on treatment of nominations in Balancing Network Code

  - a proposal for harmonised Nomination and Renomination rules and lead times

- Today we set out the key features of the nomination rules and are seeking stakeholder feedback on these features

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Harmonised Nomination and Renomination Rules at IPs

Harmonisation

- Different schemes currently used across Europe

  - EASEE gas has led to a degree of harmonisation

- ENTSOG proposing new rules to apply at all IP's

  - Including Virtual Interconnection Points
  - Full harmonisation

- Must support CAM, CMP, Balancing requirements and of course Network Users and TSO needs

Nominations

- In designing nomination rules there are a number of key elements which must be considered

06:00

Day Ahead

06:00

Within Day

06:00
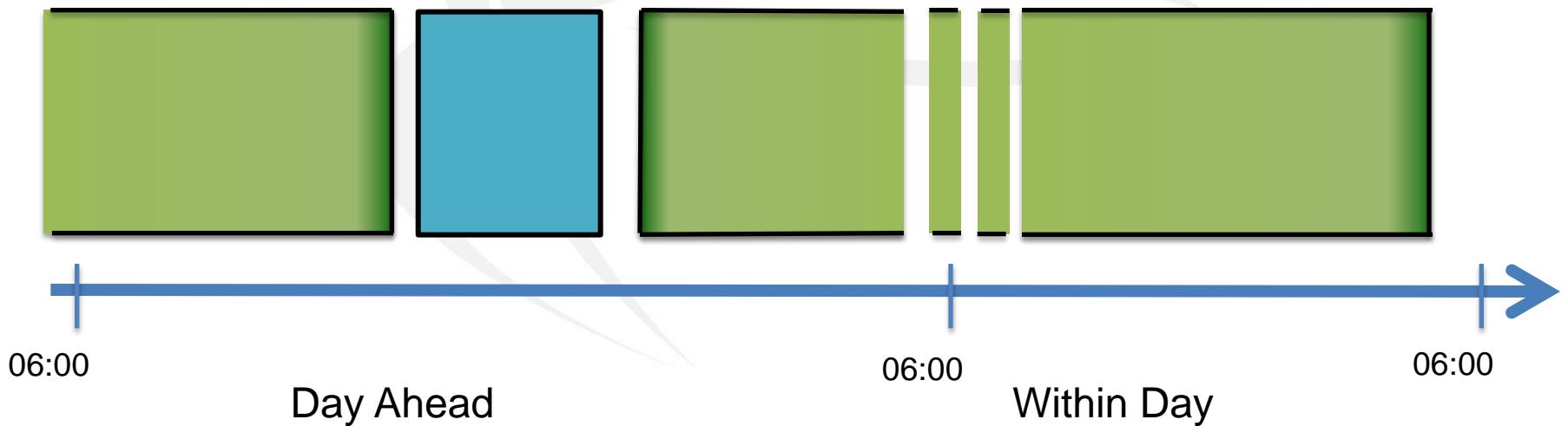
Nominations

- In designing nomination rules there are a number of key elements which must be considered

1. The 'Nomination Deadline'
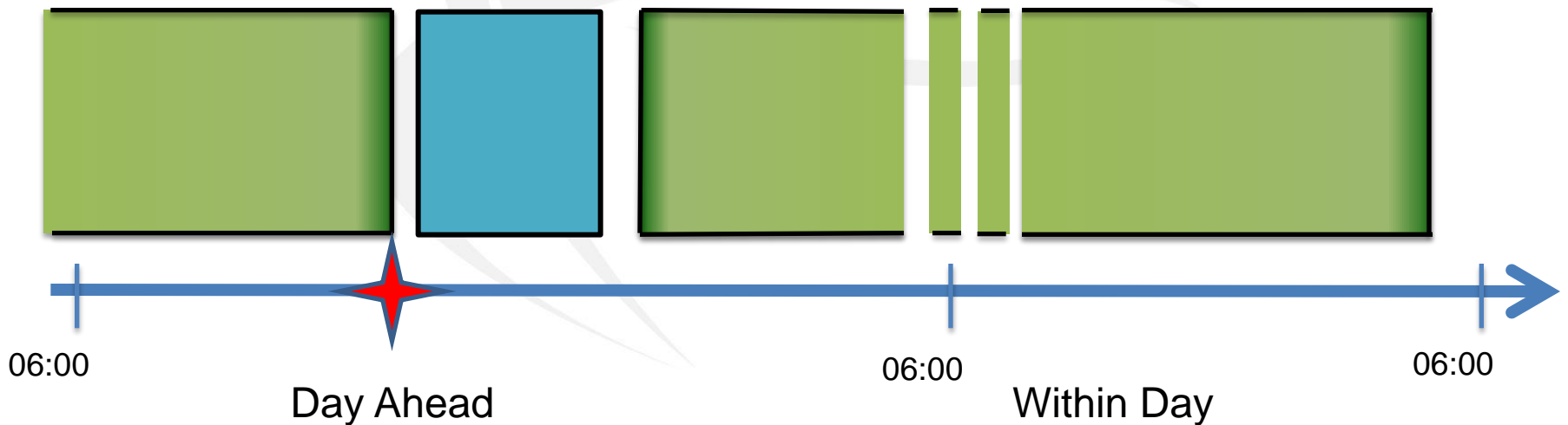
06:00   Day Ahead   06:00   Within Day   06:00

Nominations

- In designing nomination rules there are a number of key elements which must be considered

2. The 'Confirmation Deadline'
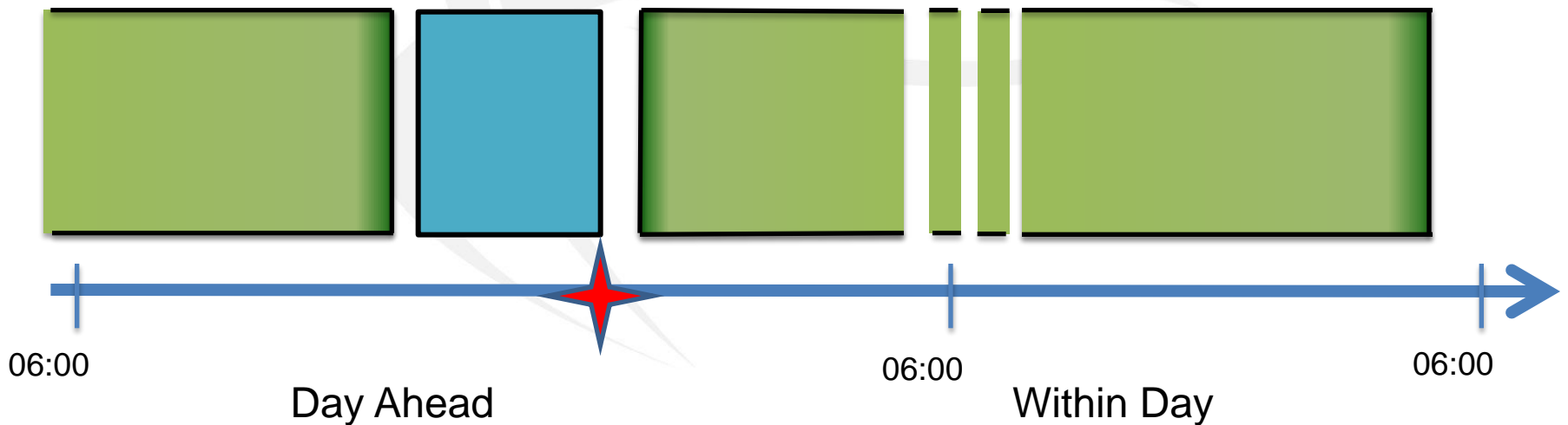
06:00

Day Ahead

06:00

Within Day

06:00

Nominations

- In designing nomination rules there are a number of key elements which must be considered

3. The 'Time Day Ahead Renominations Commence'

06:00   Day Ahead   06:00   Within Day   06:00

Nominations

- In designing nomination rules there are a number of key elements which must be considered

4. The 'Structure of the Renomination Cycle'
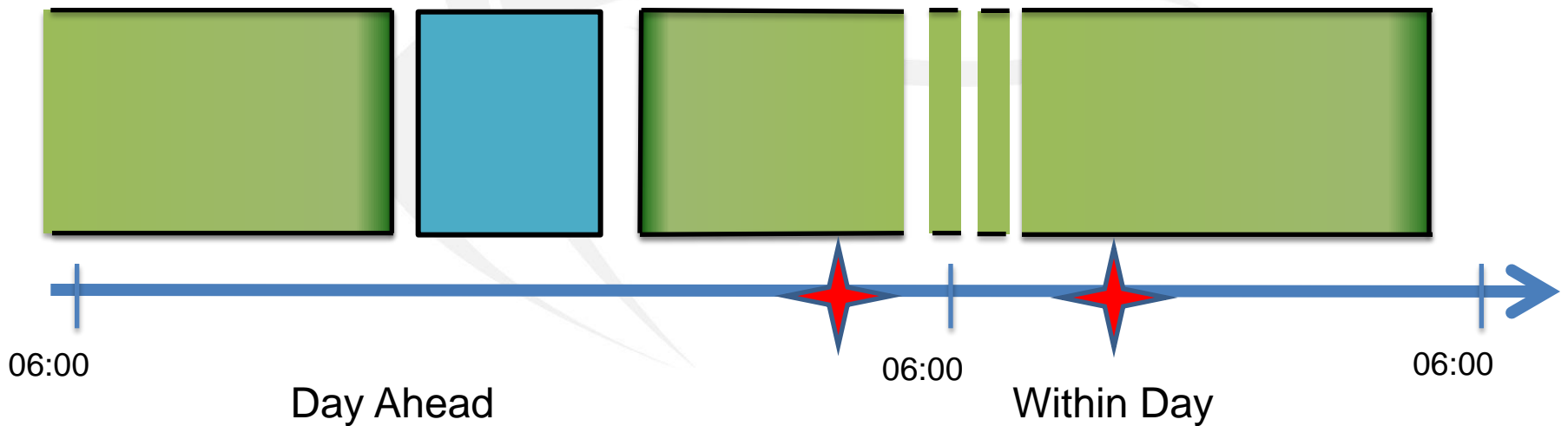
06:00

Day Ahead

06:00

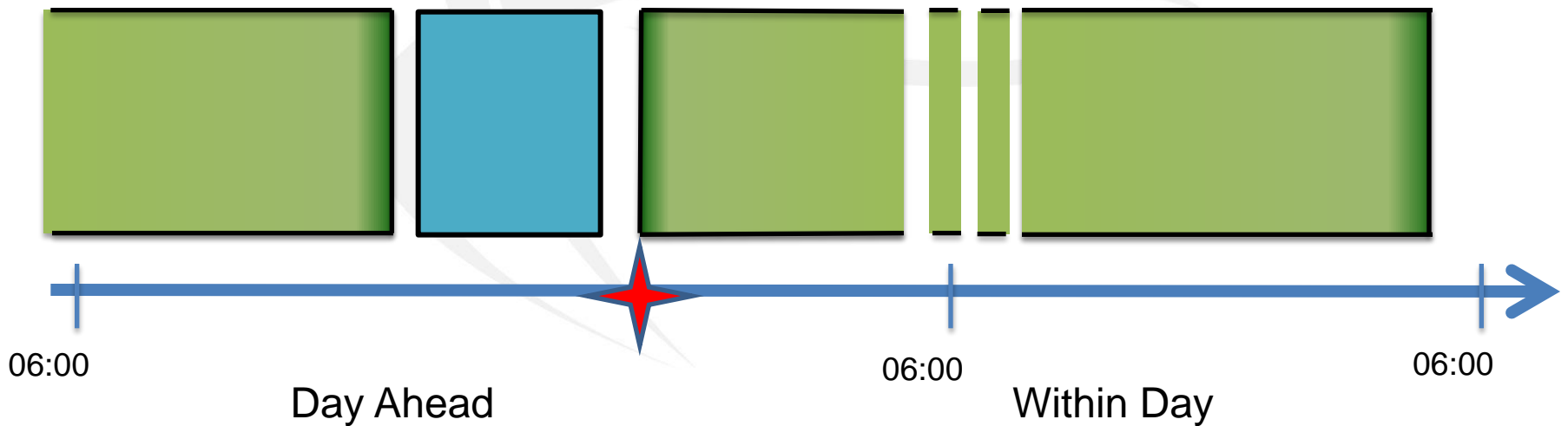Within Day

06:00

Nominations

- In designing nomination rules there are a number of key elements which must be considered

5. The 'Deadline for Within Day Renominations'

06:00

Day Ahead

06:00

Within Day

06:00

Nominations

- In designing nomination rules there are a number of key elements which must be considered

Nominations

6. The 'Rules required to support the (Re)nomination'

06:00

Day Ahead

06:00

Within Day

06:00

Nominations

- In designing nomination rules there are a number of key elements which must be considered

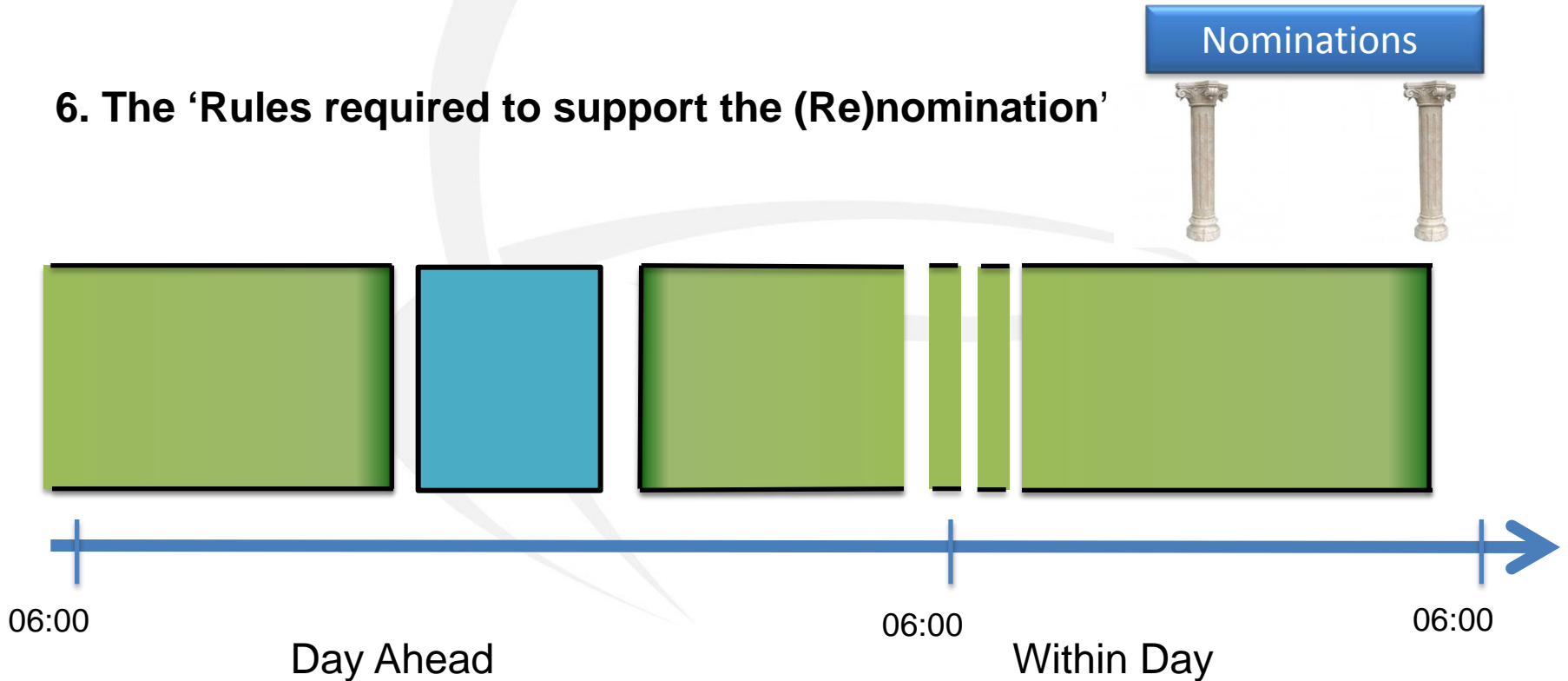**7. The 'Information to be contained in (Re)nomination'**

Information

06:00

Day Ahead

06:00

Within Day
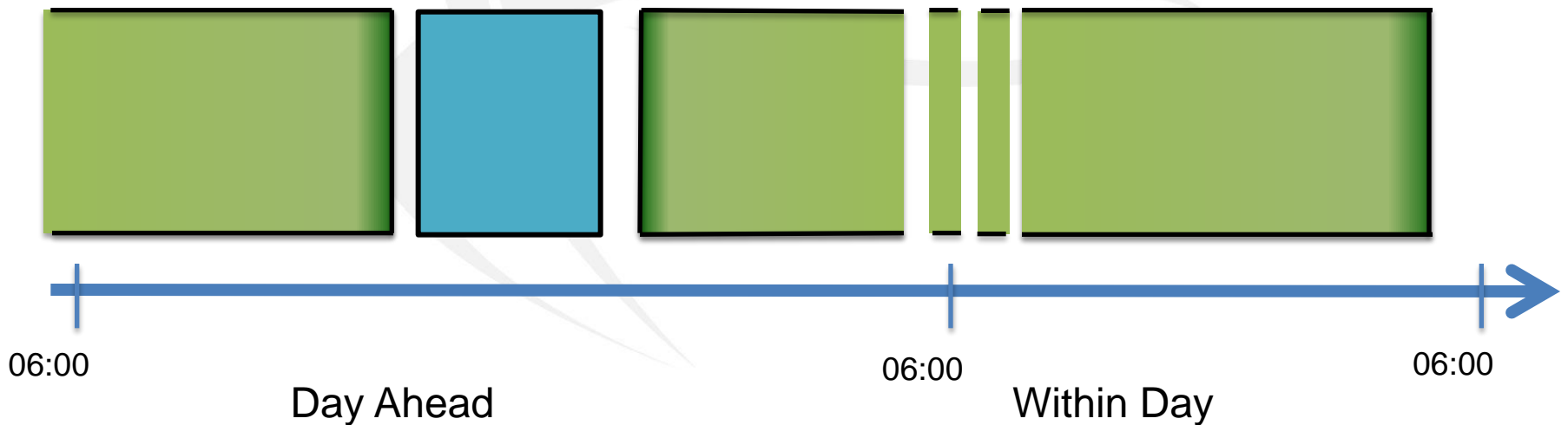
06:00

The Gas Day

Its worth taking a look at the CAM Network Code to set out what the Gas Day is exactly:

	WINTER	SUMMER
UTC	05:00	04:00
Local Time Central Europe	06 :00	06:00
Local Time UK / Ire /Portugal	05:00	05:00
Local Time further East .e.g. Greece	07 :00	07:00

- For simplicity in this presentation we use CET (including day light saving when in place.) Business Rules and Codes in UTC.

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1. Day Ahead Nomination Deadline
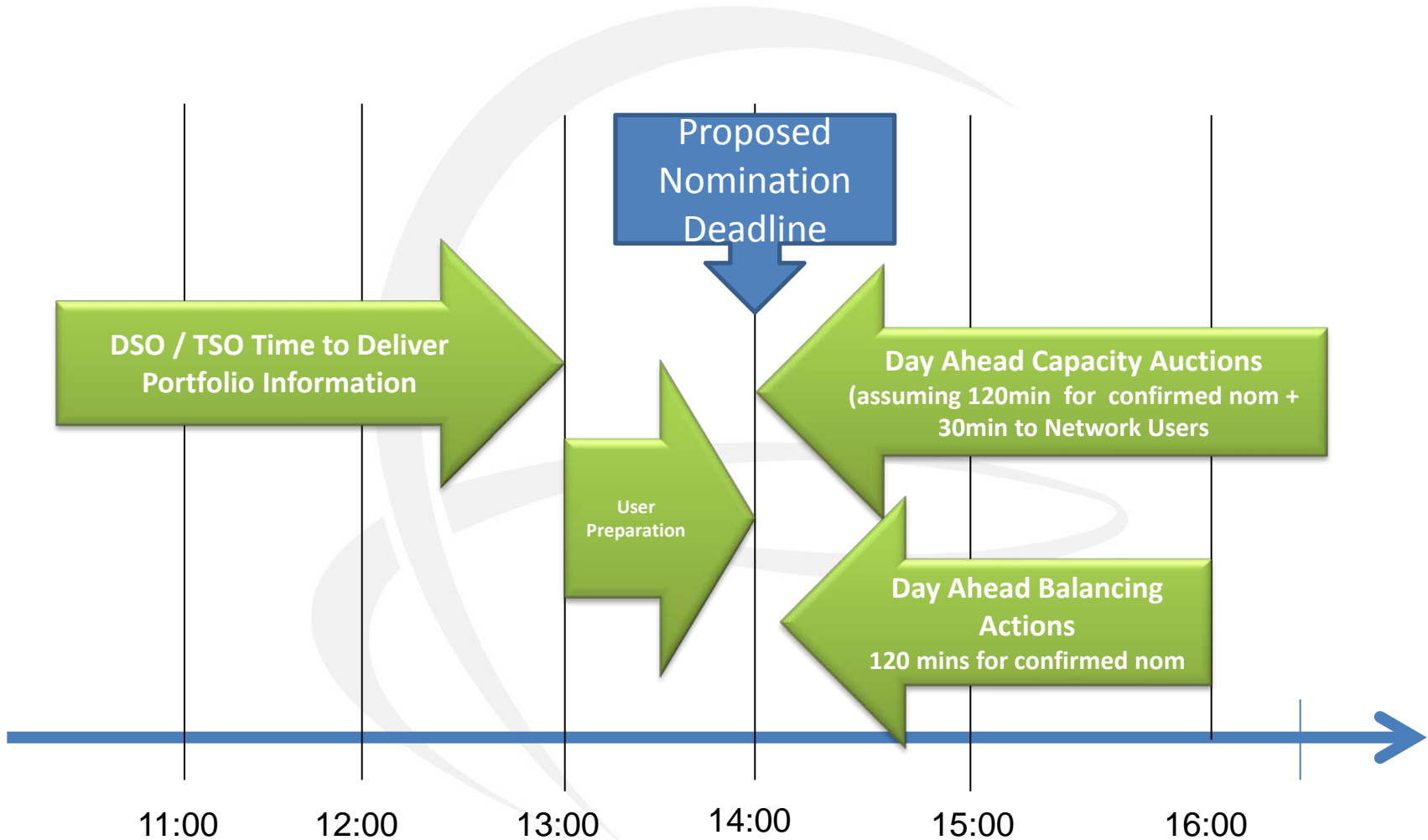
Proposed Nomination Deadline at [14:00]

2. Confirmation Deadline

- Up-to two hours are required to complete a Nomination or Renomination Cycle

- The last Nomination received by the TSO before the Nomination Deadline will be taken into account.

- The last Renomination received by the TSO before the start of the hour will be taken into account in the Renomination cycle.

- TSOs shall start a Renomination cycle at the start of every hour.

3. Time Day Ahead Renominations Commence

Proposed Re Nomination Commence

Confirmation Deadline

Day Ahead Capacity Auction

14:00   15:00   16:00   17:00   18:00   19:00   20:00
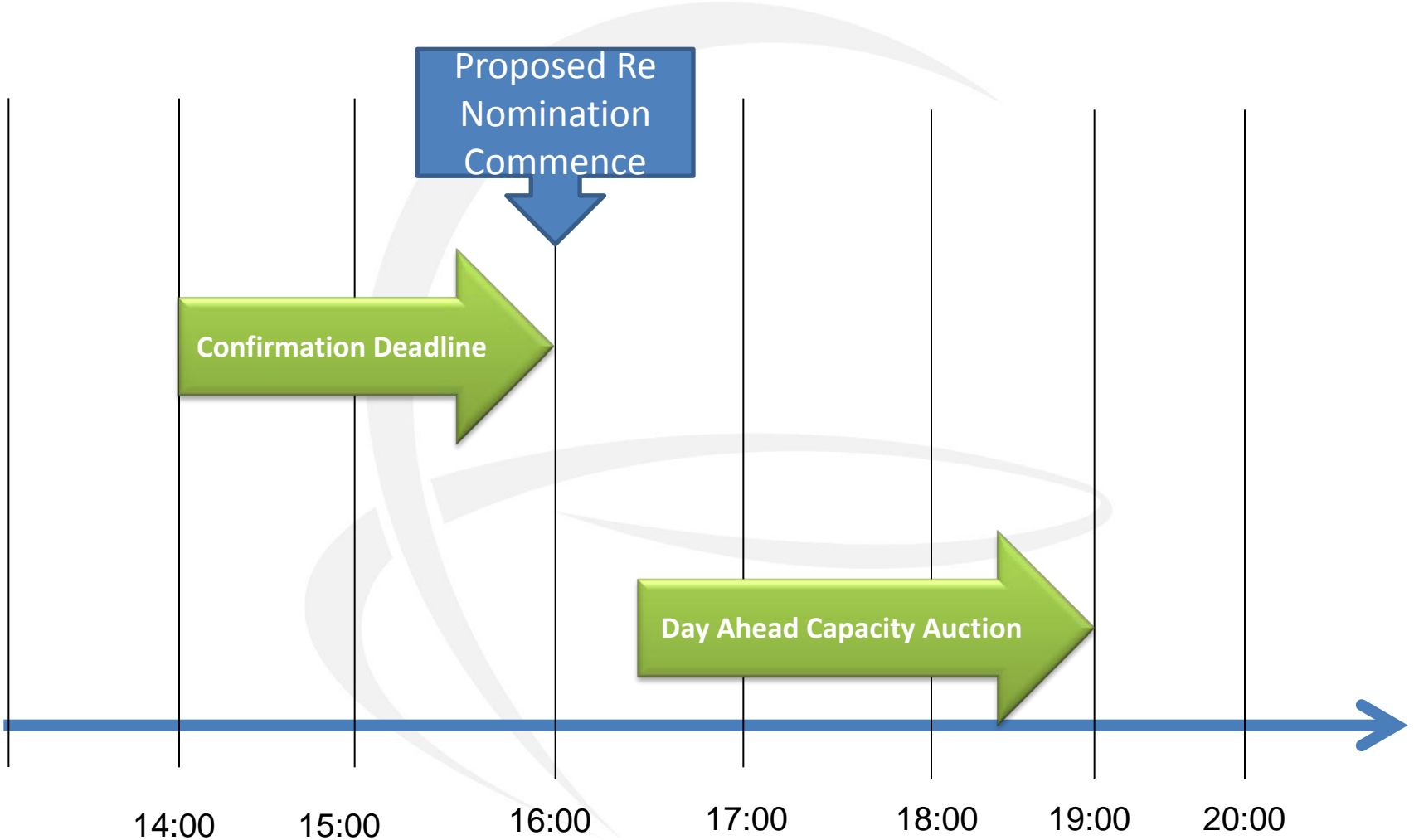
Proposed Renomination Process commences at [16:00]

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4. Structure of Renomination Cycle

Renomination Structure

Split
- Day Ahead
- Within Day
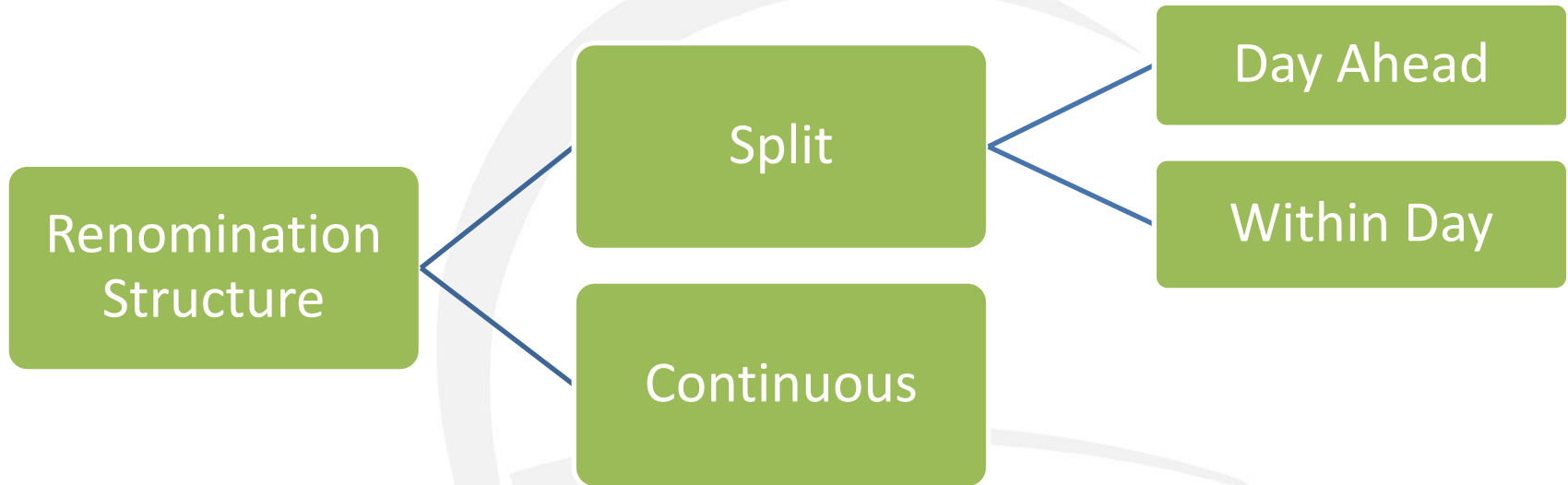
Continuous

- Must comply with needs of CAM, CMP, Balancing
- Does continuous Renomination cycle offer greater flexibility?

Stakeholder views sought

5. Deadline for Within Day Renominations

Proposed Renomination Deadline: [03:00]

6. Supporting Rules

Nomination

- Nominations should be provided for the Gas Day and expressed in kWh/d, or if on an hourly basis in kWh/h where required.
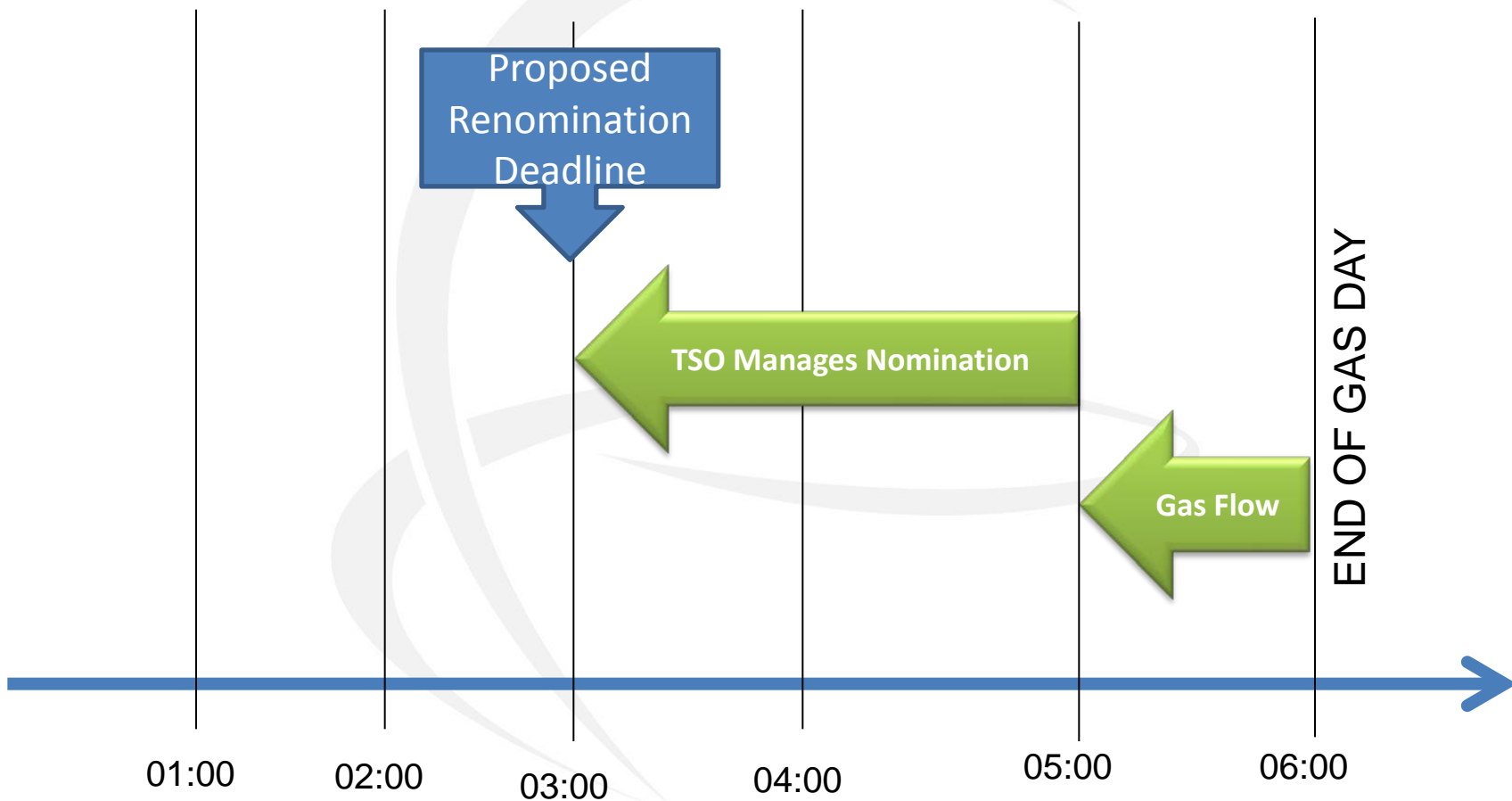
Bundled Capacity

- The Nomination and Renomination timings and deadlines defined for Interconnection Points shall also be applicable where a single nomination is used.

Forecast

- The TSO may require Network Users to provide, prior to Day Ahead Nominations, a good quality forecast (for example a monthly or weekly Nomination) of expected quantities (consistent with the Nomination procedure applied) that the network user wishes to inject into or withdraw at the IP in order to optimise the operation of the transmission system and ensure the security of supply.

6. Supporting Rules

Hourly Nominations

- Renominations for which the deadline has passed are not allowed.

Daily Nominations

- Implied Flow Rate Concept

Hourly Daily Nomination Interface

- Where daily and hourly (Re)nominations co-exist at an IP, the (Re)nomination procedures could be reviewed in order to consider if harmonised (Re)nomination regimes should be applicable at both sides of the IP. In this case a common public consultation (shared with relevant NRAs and TSOs) should be carried out, where the following potential consequences on each individual regime will be at least considered:

  - Financial impact;

  - Impact on cross border flows;

  - That any changes do not undermine the daily balancing regime.

- The final proposal shall be approved by the relevant NRAs.

7. Information to be contained in (Re)nomination

The information contained within Nominations and Renominations shall be harmonised and shall at least contain:

- Interconnection Point identification;

- Direction of contractual gas flow;

- Network User identification (or portfolio if applicable);

- Counterparty(s) Network User Identification (where capacity is not bundled) (or portfolio if applicable);

- Start (and end) time for which the (re)nomination is made;

- Delivery period (Gas Day);

  - In case of daily nominations, an end of day quantity, expressed in kWh/d

  - In case of hourly Nominations, hourly quantities for all the hours of the gas day expressed in kWh/h.

Interim Measures

- The framework guidelines took a high level approach to Nomination – criteria at IP's: have moved to nomination rules beyond framework guidelines development

- No specific consideration was given to whether Interim Measures would be needed in context of criteria

- They may be necessary in some cases:
  - requires considerable development for both TSOs and Network Users in terms of:
  - adaptation of regulatory and market arrangements
  - amending Interconnection Agreements and putting in place the associated systems and other infrastructure to support such arrangements.

Interim Measures

- Where interim measures have been approved by the NRA, the rules to be applied must at least contain:

    - A day ahead Nomination window;

    - A day ahead Renomination window;

    - A within day Renomination window

- Must also be considered within roadmap for other transitional measures

Non IP Points

Principles at Non IP Points

➢ The information the TSO requires in the Nominations and Renominations at Non IP Nominated Points, shall be determined in the context of the National rules, but the following principles shall apply:

  ➢ The TSO may require Network Users to provide, prior to Day Ahead nominations a good quality forecast (such as a monthly or weekly Nomination) of the expected quantities that the network user wishes to inject into or withdraw at the Non IP Points

  ➢ Network Users shall have the ability to Renominate for the Gas Day, considering the technical flexibility of this point.

  ➢ The TSO shall minimise the response time to confirm or reject Nominations and Renominations after the start of the Renomination Process.

  ➢ Nominations should be provided for the Gas Day and expressed in kWh/d, or if on an hourly basis in kWh/h where required.

Balancing Zone

Balancing Zone

FGs states

"*The network code on gas balancing shall prevent TSOs from requiring that network users nominate input volumes which match their output volumes or vice versa.*"

ENTSOG Conversion into rule

- *"The TSO shall not have the ability to reject a Network User's Nomination or Renomination for reasons of the Network User's intended Inputs not being equal to the Network User's intended Offtakes."*

Concern regarding network Users balancing in <u>interim phases</u> where the imbalance price proxy is not providing the correct signals:

- *Additional assurances required in interim phases? For example*
  - *"Such a Nomination can be rejected only if the system integrity would be endangered and the TSO will be not able not prevent the system integrity endangerment by balancing actions due to the extent of the difference between the nominated or renominated Input and Offtake."*

Summary

1. The 'Nomination Deadline' [14:00]

2. The 'Confirmation Deadline' [16:00]

3. The 'Time Day Ahead Renominations Commence' [16:00]

4. The 'Structure of the Renomination Cycle'
   - Continuous
   - Split

5. The 'Deadline for Within Day Renominations' [03:00]

6. The 'Rules required to support the (Re)nomination'

7. The 'Information to be contained in (Re)nomination'

Conclusions

Conclusions

- ENTSOG have proposed a harmonised nomination scheme to apply across all European IPs – we believe this is a significant and fundamental step in harmonisation

- Non IPs rules determined at national level and supported by common principles outlined

- Balancing zone rules

Seeking your feedback………..

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fair partner to all