

Responses to Consultation on Draft Code on Balancing

Please complete the fields below and send via email using the subject, Response to Consultation on the Draft Code on Balancing, to info@entsog.eu by 17:00CET on June 12th.

Please note that respondents are not required to respond to all questions below.

In sending your response submission by email, you are confirming that ENTSG can disregard any standard e-mail text about not disclosing email contents and attachments.

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ENTSO-G seeks to publish response once the consultation has ended. Please indicate here whether your response is confidential (in whole or part)

☒ In whole, meaning nothing to be published

☐ In part, meaning a version with your marked confidential sections excised by ENTSOG could be published

Question 13 – What is your view on: (1) the criteria to be considered by the TSO when procuring Balancing Services; and (2) the gradual reduction of the use of Balancing Services as the liquidity of the wholesale market increases? Please provide a reasoned response.

Response:

While it is difficult to define adequate liquidity (especially as it varies by region), it is important to set objective benchmarks in order to set a stage at which the TSO procures balancing energy on the exchange. The NC currently leaves too much scope for TSOs to argue that they should continue to procure balancing energy from the balancing platform. There is a chicken and egg situation regarding when liquidity on the exchange picks up, and whether this is really possible while the TSO continues using the BP. The NC should set the benchmark for when balancing energy is procured on the exchange at a quite ambitious level (ie when liquidity is still in the middle developing stage).

Question 15 – Do you consider that the procedures set out in the Draft Code (excluding timing, which is covered below) for the submission of nominations and re-nominations, and the criteria for their rejection, are reasonable? If no, please present and justify your preferred alternative.

Response:

The TSO should be required to inform the NRA of rejected (re)nominations and stating the reasons why they were rejected and other relevant details.

Question 18 – What are your initial views on these specific features on nominations (respectively re-nominations) for transition, system integrity and daily-hourly regimes of the network code? Please provide a reasoned response.

Response:

At various points in chapter V, the relevant NRA is given the task of endorsing nominations rules. There needs to be details on what happens if the NRA fails to endorse the rules, for example, is the TSO required to adopt amendments from the NRA, and within which timeframe. Furthermore, it may be desirable to involve other stakeholders in this process, perhaps in cooperation with the NRA.

Question 19 - Do you support the Daily Imbalance Quantity determination proposed in the Draft Code? If not, please indicate your preferred approach and supply further rationale and evidence of the benefits of Daily Imbalance Quantities being derived on information based during the Gas Day?

Response:

The determination of the Imbalance Quantity should be as transparent as possible and the NC should also make more detailed provisions on how Network Users can challenge the TSO if needs be.

Question 23 – What should the effect of the small adjustment be: to encourage trading or to be sufficiently large to reflect a value for physical flexibility?

Response:

Whether the Small Adjustment is necessary would depend on whether the market has sufficient liquidity. In liquid markets marginal prices are a sufficient method of encouraging balancing and the Small Adjustment could cause inefficient actions and be potentially punitive.

Question 25 – In your view, are the elaborations of the criteria in the Draft Code sufficient? If not, please indicate which ones and how.

Response:

The current NC does not outline the specific WDO templates which may be applied. If the NC adopts some defined WDO standards, in order to prevent too many variations of WDO which may complicate conducting cross-border trade, it is important that NRAs have the ability to adapt these standards prior to implementation. The challenges to domestic networks like Austria which are faced with huge transit volumes should also be kept in mind during the NC redrafting stage.

Question 54 – Are there any specific ENTSOG monitoring and reporting activities that should be explicitly captured in the Balancing Network Code. If so, please identify them and their rationale.

Response:

It makes sense for ACER to also receive the documents sent by TSOs to NRAs which review the progress of TSOs regarding meeting the NC requirements.

Question 57 – Do you find that this supporting document for the public consultation was 'respondent-friendly' in terms of its readability, style, etc.? Please explain how we can improve future consultations.

Response:

The whole process was very transparent and professional. It may have been useful/interesting to have had more insight into what went on at ENTSOG's meetings with 'key movers' to understand the topics/concerns under discussion.