

ENTSOG 7th Transparency Workshop

Introduction of 7th TRA WS



Agenda covers 3 sessions

- Upgrade of Transparency Platform and New
 - Transparency Platform
- > REMIT Implementing acts
- > FG Tariff requirements on Transparency

- > Inform stakeholders
- Discuss with stakeholders
- > Receive feedback

..hoping that we have built a transparent and trusty relation with all stakeholders





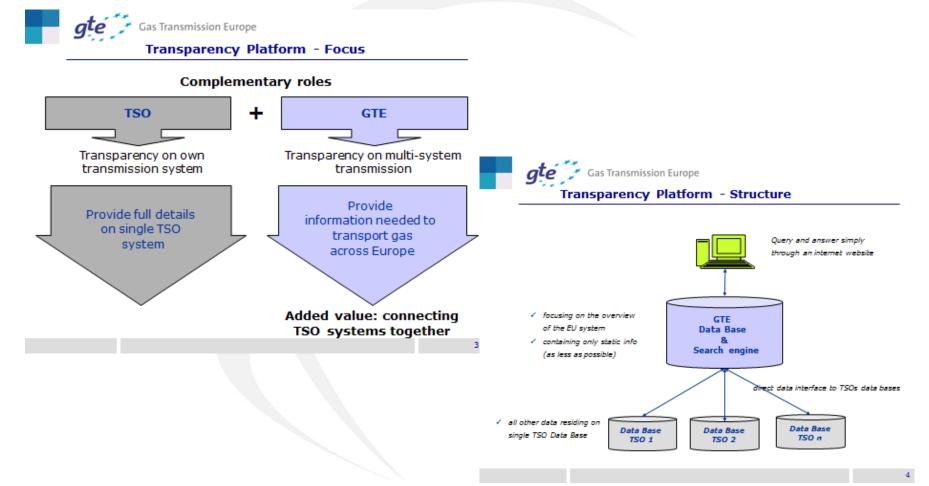
ENTSOG 7th Transparency Workshop

Upgrade of Transparency Platform and New Transparency Platform

Panagiotis Panousos
Business Area Manager, System Operation

Gas-roads evolution (1)

from Madrid Forum 2007...





Gas-roads evolution (2)

to gas-roads...

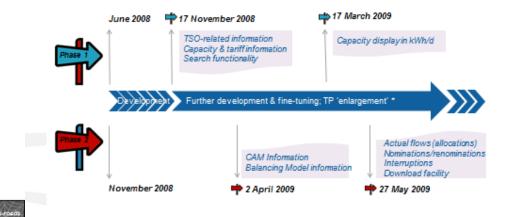


TP Factsheet

- Objective
 - To provide a coherent (comparable) view of the European gas market
- Key tools
 - Use of one single unit for the same type of information where possible
 - Use of a unified structure for the presentation of information
 - Use of an interactive map
- Technical solution
 - Data provided through .xml files via push or pull mechanism
- EASEEgas CBPs
 - Where relevant, rules defined in EASEEgas CBPs applied



Development



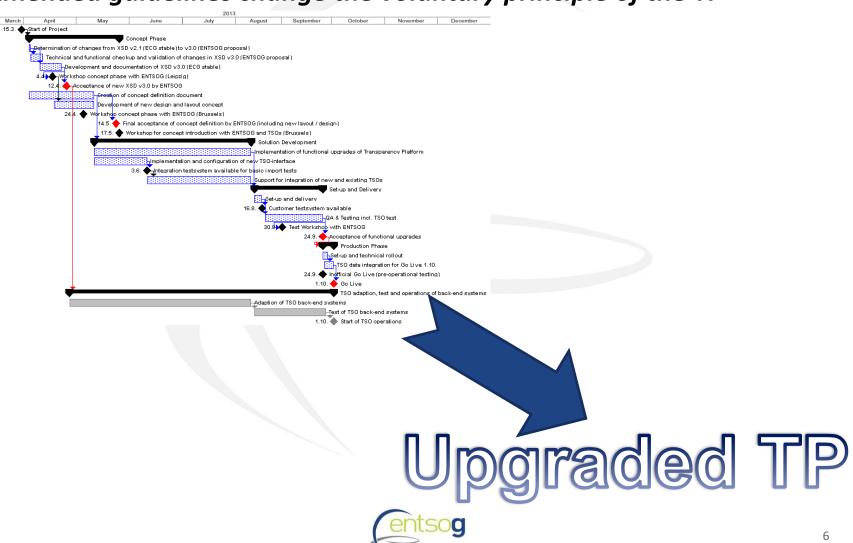


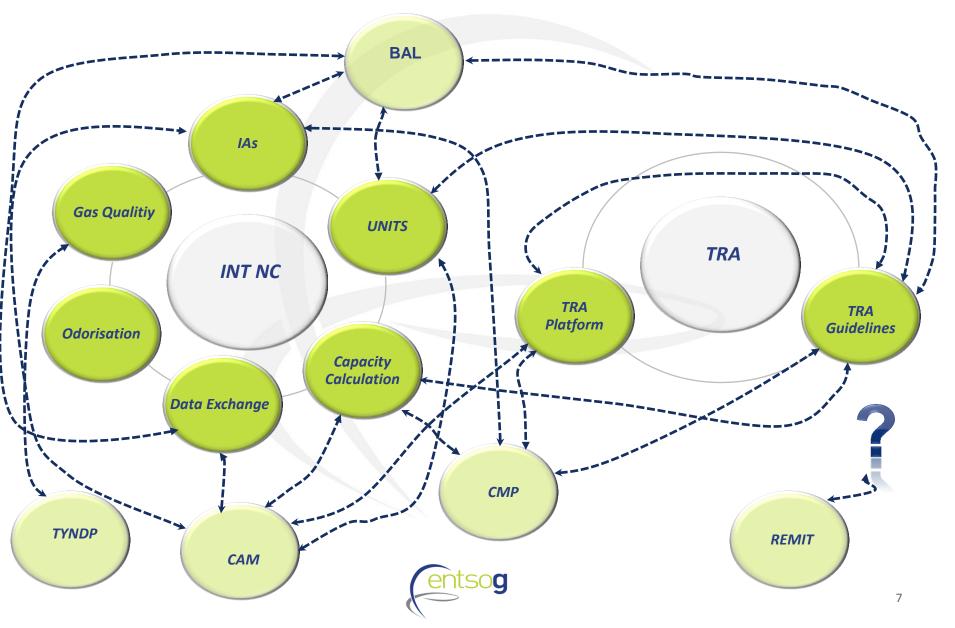
- > TP Initiative started by gte+ in 2009
 - Objective: to provide a coherent (comparable) view of the European gas market
- > Reg (EU) 715/2009 includes general TRA principles
- > TRA guidelines (Nov 2010) specify data to be published on TSOs' websites

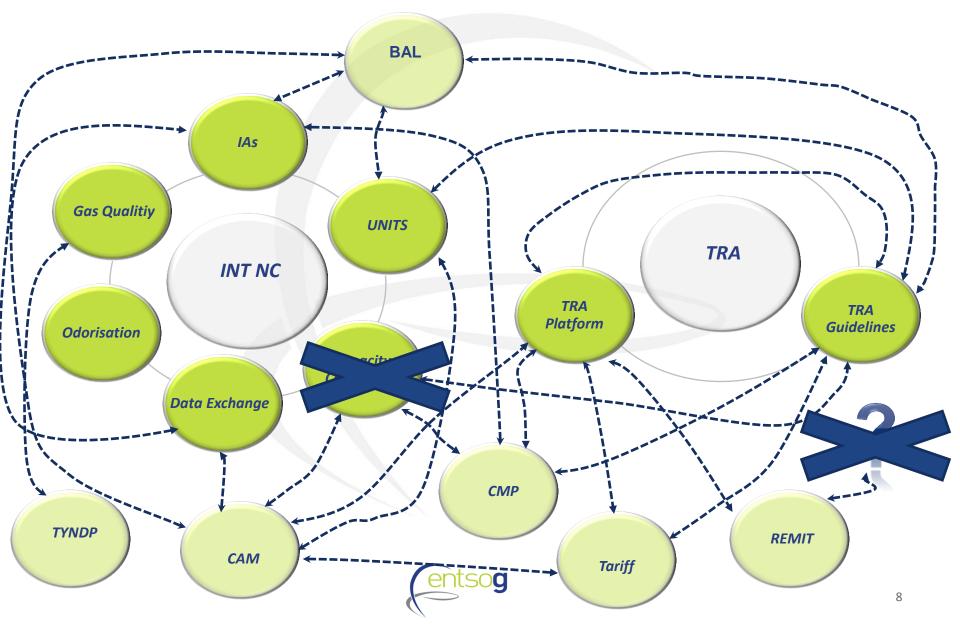


Gas-roads evolution (3)

Amended guidelines change the voluntary principle of the TP







Transparency Platform

- > Why are we updating the TP now?
 - Commission decision of 24 August 2012 on amending Annex I to Regulation (EC)
 No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks
- > What are the challenges?
 - We have to meet current and (as far as possible) future transparency needs
- > What are the risks?
 - New requirements not yet well-defined (codes / guidelines / REMIT)
- > What are the opportunities?
 - IT developments on tools and data handling
 - Wider ENTSOG needs can be covered
- > Why are we organizing the WS?
 - To inform
 - To initiate feedback process



Transparency Platform

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- To initiate feedback process



Thank You for Your Attention

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Upgrade of Transparency Platform and New Transparency Platform

Transparency Workshop

Davide Volzone
Adviser, Transparency

Brussels – 11 December 2013

Content

1. Legal Obligation

- Transparency Guidelines
- Congestion Management Procedure

2. Upgrade Transparency Platform

- Web design and User-friendlyness
- Functionalities
- Statistics

3. New Transparency Platform

- New Maps
- New Functionalities





Legal Obligation

1. Transparency Guidelines (Reg. (EC) 715/2009, Chapter 3 of Annex 1)

- Definition of the technical information necessary for network users to gain effective access to the system
- Definition of all relevant points for transparency requirements
- Definition of the information to be published at all relevant points and the time schedule according to which that information shall be published

2. Congestion Management Procedure

- Amendment of Transparency Guidelines by CMP Commission Decision of 24 august 2012(2012/490/EU)
- TSOs obliged to publish data on a Union-wide central platform, established by ENTSOG: Upgrade Transparency Platform
- New data to be published (CMP data)



Legal Obligation

Additional data to be published by CMP starting from 1st October 2013

- 1. Annex 1 of Reg. (EC) 715 / 3.3(1):
 - (h) occurrence of unsuccessful, legally valid requests for firm capacity products with a duration of one month or longer including the number and volume of the unsuccessful requests
 - (i) in case of auctions, where and when firm capacity products with a duration of one month or longer have cleared at prices higher than the reserve price
 - (j) where and when no firm capacity product with a duration of one month or longer has been offered in the regular allocation process
 - (k) total capacity made available through the application of the congestionmanagement procedures laid down in points 2.2.2, 2.2.3, 2.2.4 and 2.2.5 per applied congestion-management procedure

Upgrade TP - Features as of 1 October 2013

- New Web Design and TP more user-friendly
- Select Point and Route
- 3. Commercial and Operational Maps
- 4. Favourite points and routes
- 5. Export wizard and automatic download
- 6. REMIT: Urgent Market Message
- 7. Available Operators
- Links available





Upgrade TP - New Web Design





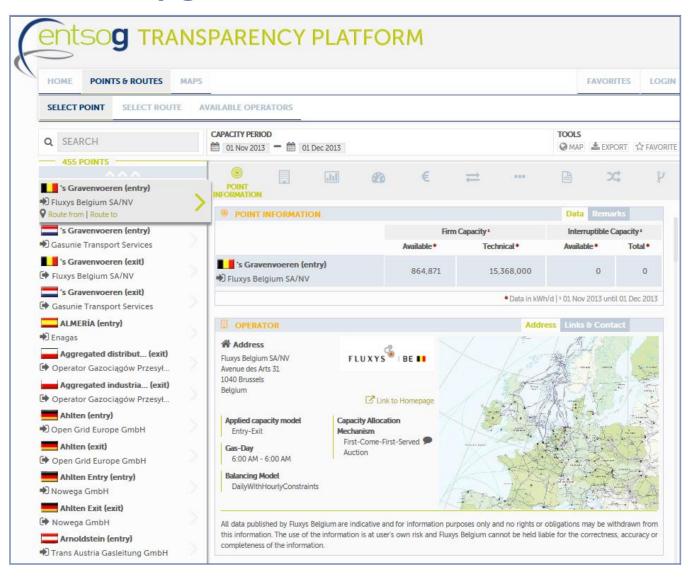
Select Point and Route

- 1. Selection of the Point by:
 - TSOs, Country, Point name
 - a) Point Information available
 - TSO information
 - Capacity Information (daily values)
 - Balancing, tariff and contract information
 - Nomination, re-nomination, commercial and physical flow, interruption
 - Conversion factor (GCV or Wobbe index)
 - CMP data
- Selection of the Route (point to point) by:
 - TSOs, Country, Point name
 - a) Filters available
 - Number of Operator to cross
 - Maximum available firm/interruptible capacity
 - Maximum technical capacity



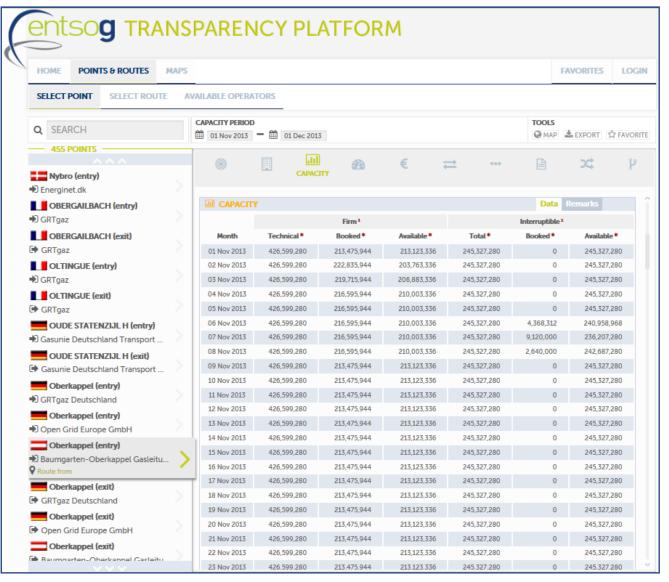


Upgrade TP – Select Point



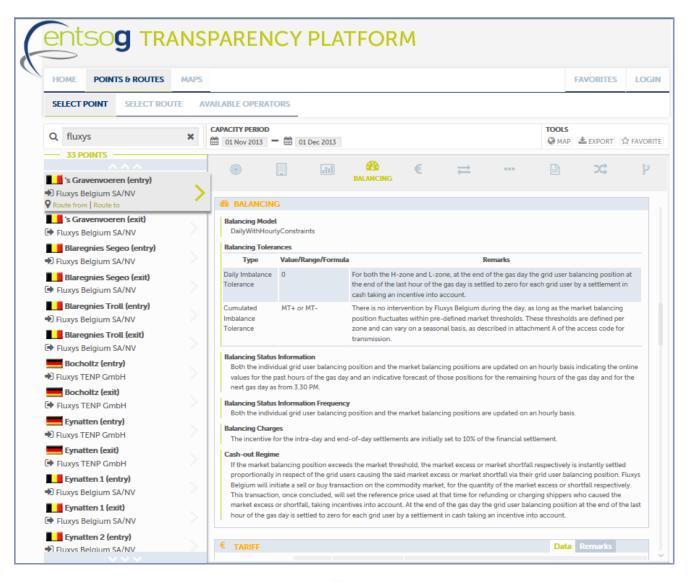


Point information – Capacity



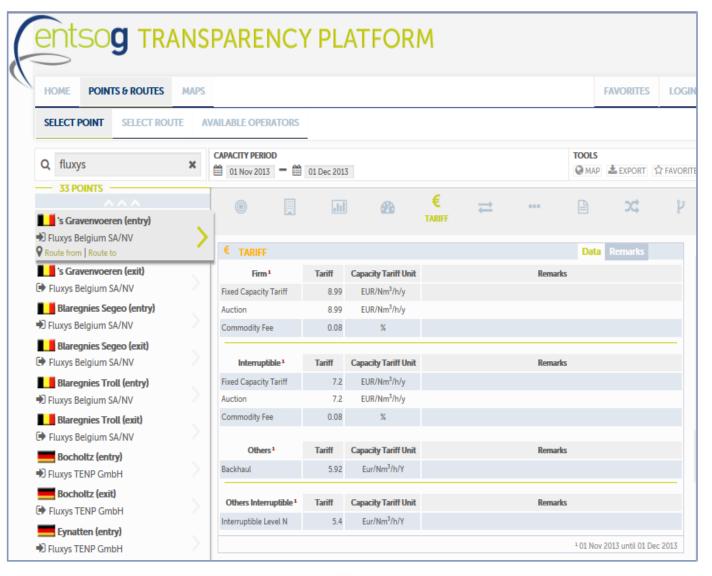


Point information – Balancing information



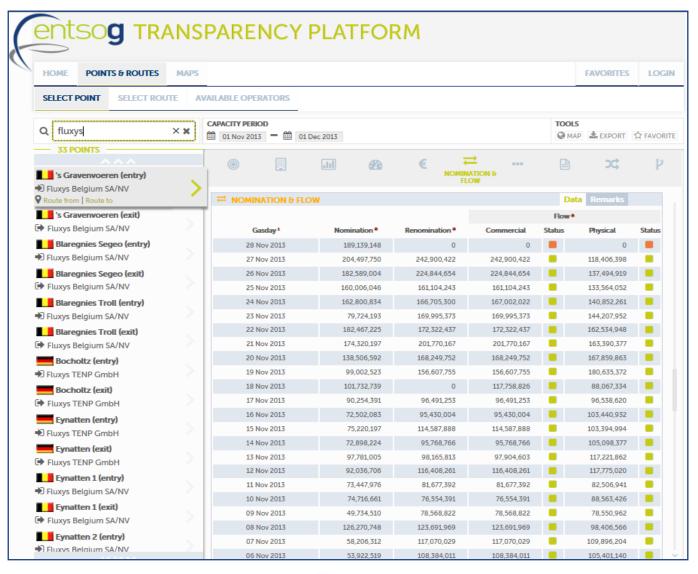


Point information – Tariff



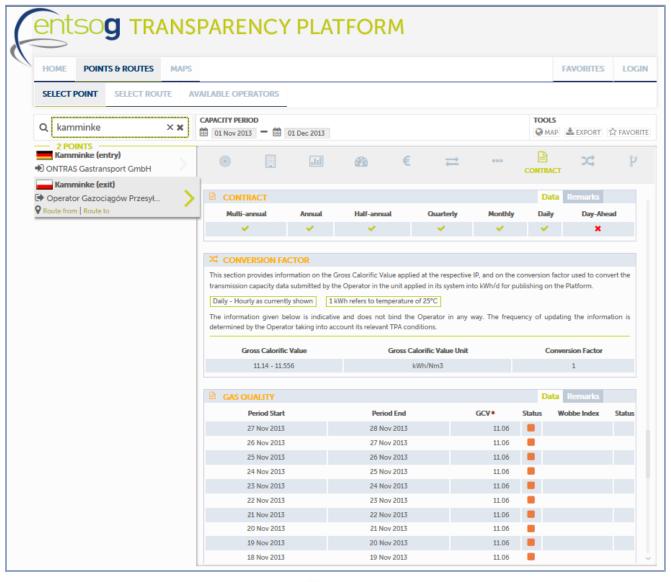


Point information –Nomination and Flow



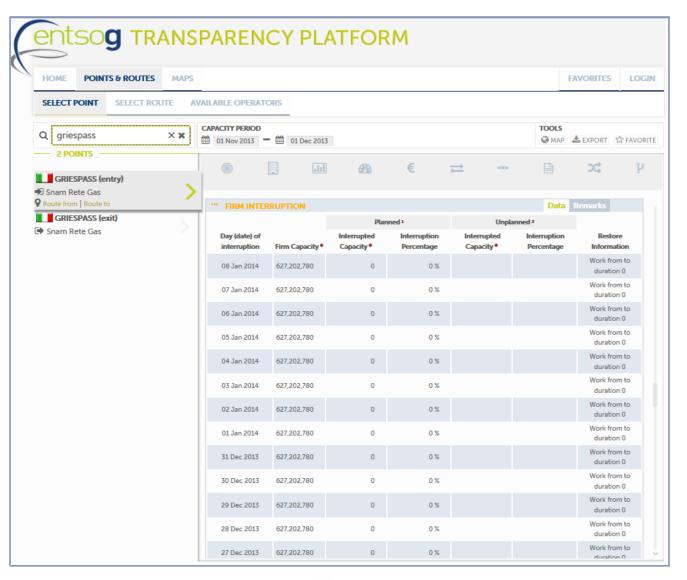


Point information – Contract and Conversion factor



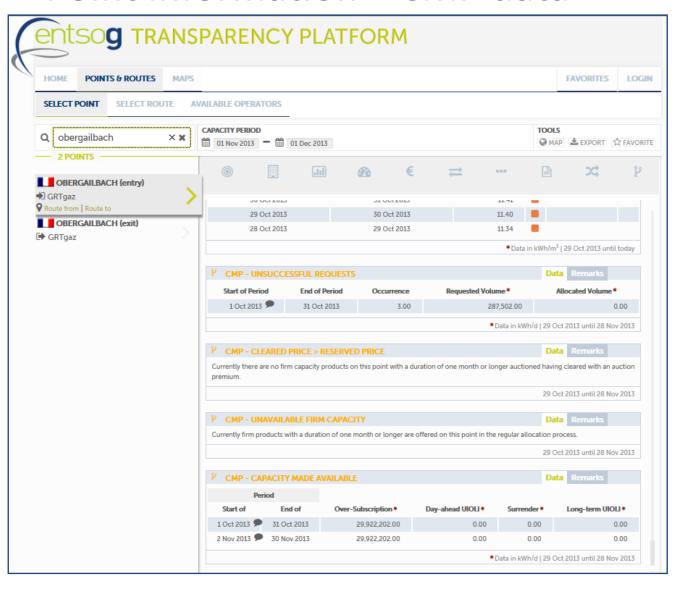


Point information – Interruption



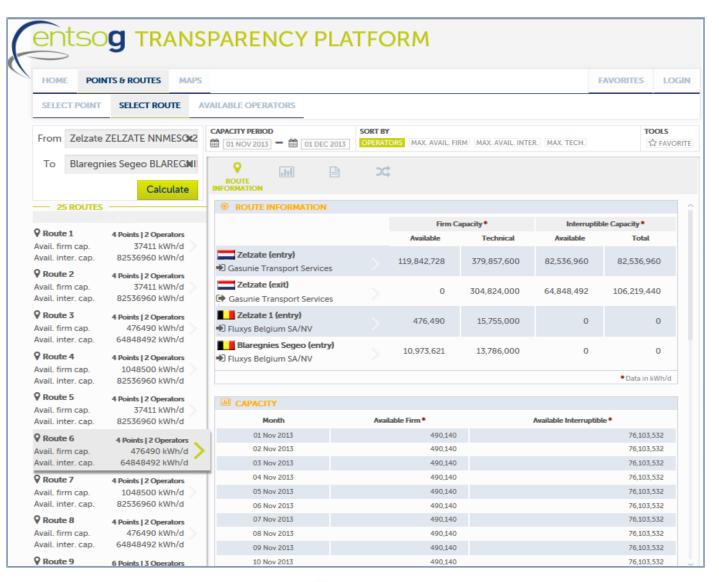


Point information - CMP data



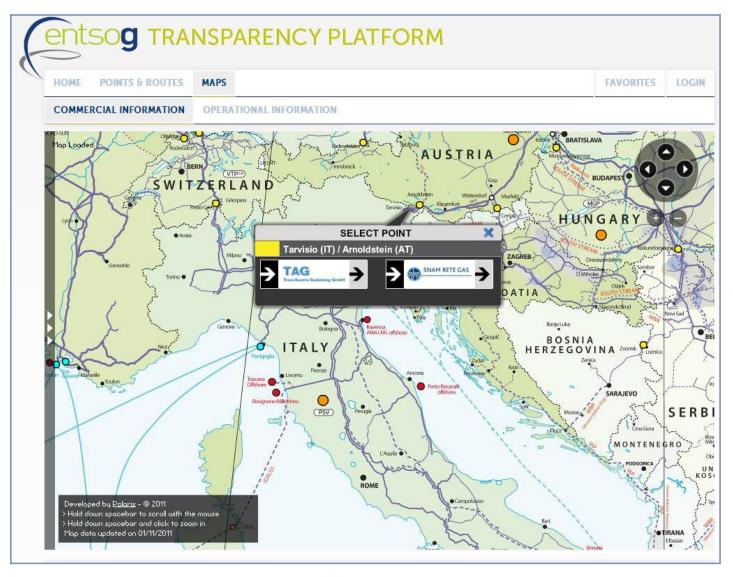


Upgrade TP – Select Route





Commercial and Operational Map



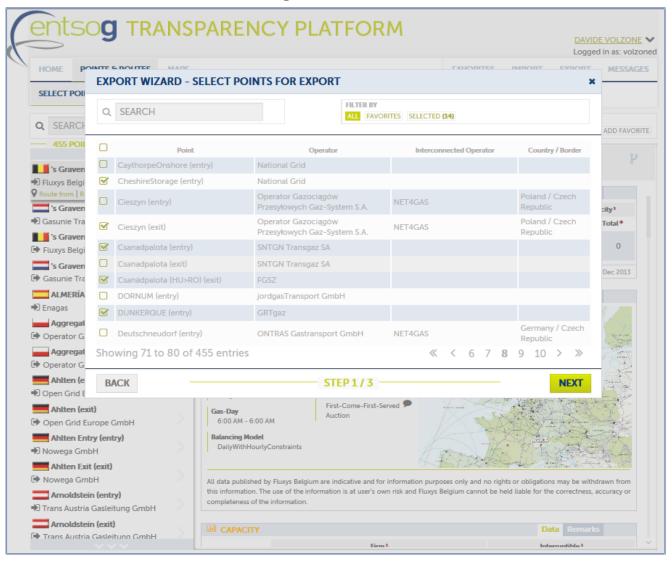


Favourite points and route



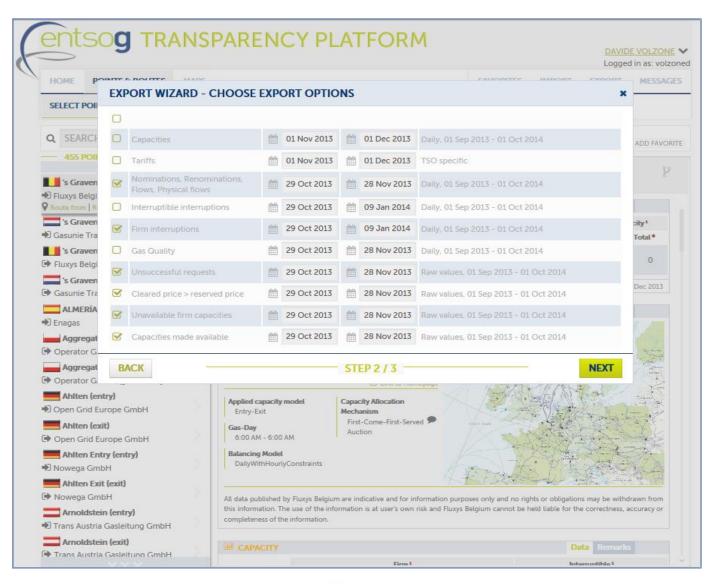


Data Export Wizard



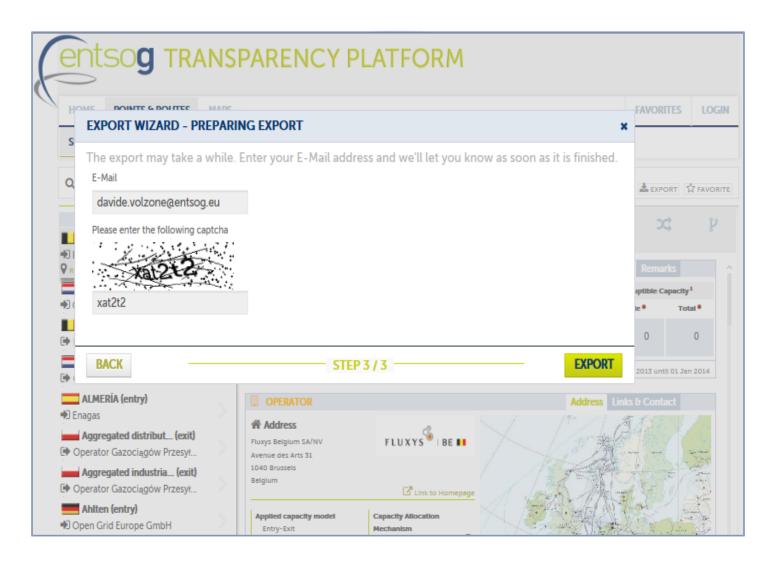


Data Export Wizard





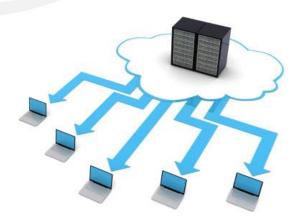
Data Export Wizard





Automatic Download Tool

- For registered stakeholder
- 2. Automated access to server at any time
- 3. Notification (RSS feed) in case of new data available
- Transfer of public data from ENTSOG's Transparency Platform to Network User





REMIT Urgent Market Message

- Regulation on wholesale energy market integrity and transparency (REMIT)
 establishes rules prohibiting abusive practices affecting wholesale energy markets.
- 2. Disclosure of Inside Information for European gas market participants
- 3. ENTSOG will provide the tool on its Transparency Platform
 - Registration on TP
 - Confirmation of Registration
 - TSOs are allowed to disclose information
- 1. Available within the end of the year
- 2. Notification (RSS feed) in case of new data available
- → It will be used on voluntary basis by TSOs

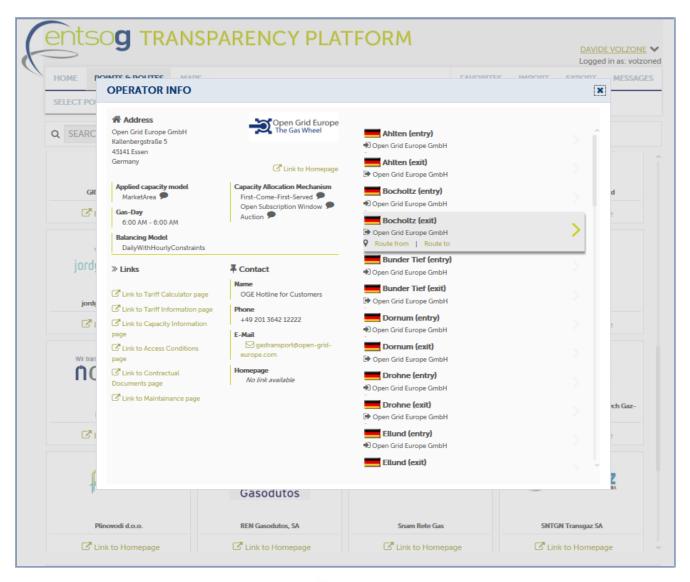


Available Operators





Available Operators





Links available

- Transparency Platform offers direct links to:
 - Gie Gas Infrastructure Europe



Gse – Aggregated Gas Storage Inventory



Gle – Aggregated LNG Storage Inventory



PRISMA –European Capacity Platform





Statistics of Transparency Platform

Period: from 1st October to 30th November



Visitors: 54.000 (5 times higher than past)

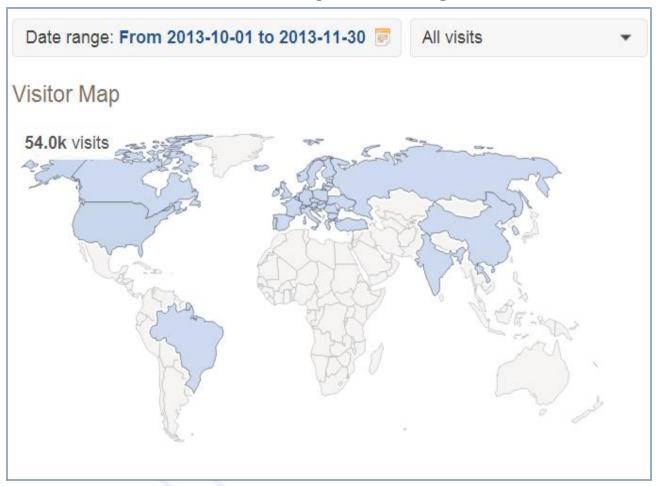
Page views 14.000.000 (7 times higher than past)

Average visit duration: 23 min 10s

Downloads: **740.400**



Statistics of Transparency Platform



Visitors from: Europe, North and South America, Asia



New TP – New maps and functionalities

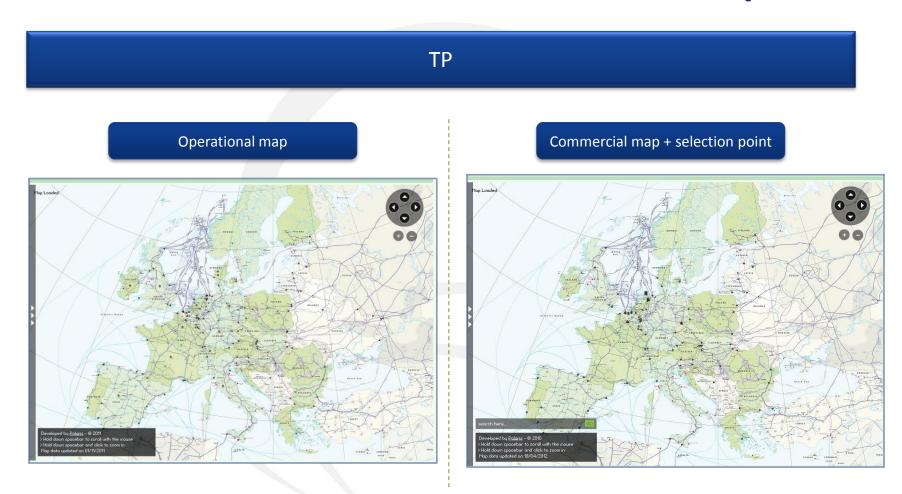
The New Transparency Platform will go live as 1st September 2014

- Two different maps :
 - Interconnection point map;
 - Balancing zone map.
- 2. Visualization of the available data on the Transparency Platform through the use of charts and graphs
- 3. Clear indication of the date and time of data publication (time stamp)
- 4. TSOs will have the opportunity to upload hourly data
- 5. Direct links to the transparency standardized section on the TSO's individual websites





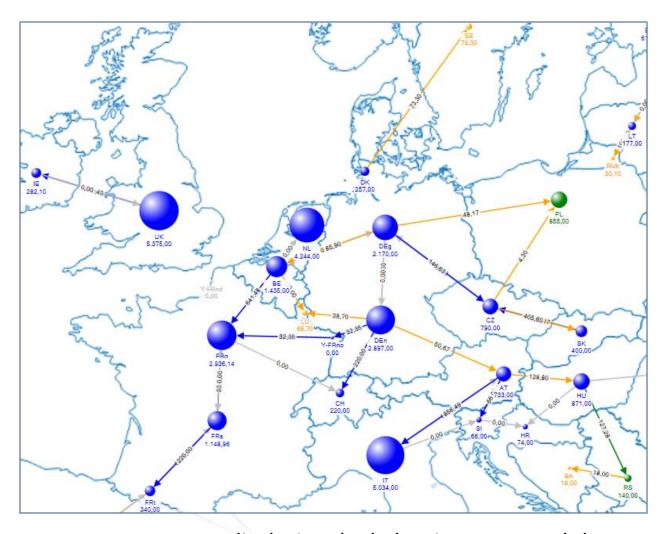
New TP – Interconnection Point Map



Interconnection point map: merging of the current commercial and operational maps with improved layout.



New TP – Balancing Zone Map



Balancing Zone Map: new map displaying the balancing zones and the aggregated connections between them



New TP – Link to TSOs standardized section

Annex to regulation	Description	Link
3.1.2 a)	A detailed and comprehensive description of the different services and their charges	Services description. Chapter 3 of the Network Code
		Services Booking. Chapter 5 of the Network Code
		Applicable Charges
3.1.2 b) u. c) 1.	Different transportation contracts and other significant documents	Contracts description. Chapter 5 of the Network Code
		Significant documents
3.1.2 c)	Network code / standard conditions	Snam Rete Gas Network Code
3.1.2 c) 2.	Specification of relevant gas quality parameters	Gas quality parameters. Chapter 11 of the Network Code, Annex A
		Contractual obligations. Chapter 19 of the Network Code, § 1.1.2 and 1.2.2
3.1.2 c) 3.	Pressure requirements	Pressure requirements are included in the specific files per point typology
3.1.2 c) 4.	Procedure in the event of an interruption of interruptible capacity	Procedure for interruption, Chapter 3 of the Network Code, § 2.2
		Services characteristic. Page 2 of the document
3.1.2 d)	Harmonised procedures applied when using the transmission system, including the definition of key terms	Harmonised Procedures
		■ Definitions of key terms
3.1.2 e)	Provisions on capacity allocation, congestion management and anti- hoarding and reutilisation procedures	Chapter 5 of the Network Code: Capacity allocation § 3,4,5; congestion managment and reutilisation procedures § 7; anti-hoarding § 1.1
3.1.2 f)	Rules applicable for capacity trade on the secondary market vis-à-vis the transmission system operator	Chapter 7 of the Network Code

Direct link to TSOs' website that display standardized section for Transparency information



Thank You for Your Attention

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ACER Recommendations on Gas Transparency and Preliminary views on ENTSOG New Transparency Platform

Juan de Miguel
Gas Department
ACER

7th ENTSOG Transparency Workshop Brussels, 11 December 2013



- ACER monitoring of compliance with transparency requirements from Chapter 3, Annex 1 to Reg. 715/2009
 - » Results in 2012
 - » Results in 2013
- ACER Opinion on harmonised format for data publication
 - » General comments
 - » Recommendations on the format
- Preliminary views on ENTSOG's new Transparency Platform
- Latest developments
- Conclusions



ACER transparency monitoring - Background

Transparency monitoring by ACER Compliance by TSOs with Chapter 3, Annex I of Reg. 715/2009

- In the 20th Madrid Forum (Oct 2011), ACER announced its intention of monitoring the implementation of transparency guidelines from Chapter 3, Annex I of Regulation 715/2009
- ACER started monitoring compliance by TSOs at the end of 2011
- The results of this analysis were presented at:
 - 21st Madrid Forum (Feb 2012) preliminary results (based on TSOs' self-assessment)
 - 22nd Madrid Forum (Oct 2012) final results covering 40 TSOs from 21 Member States

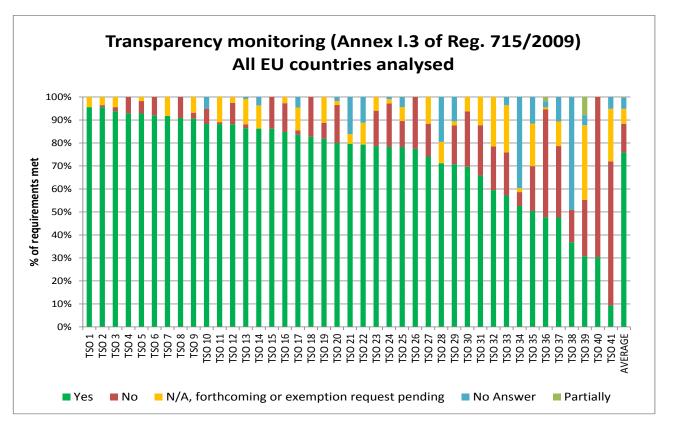
Final results published in ACER Report on 9 April 2013 for 23rd MF:

http://www.acer.europa.eu/Official documents/Acts of the Agency/Publication/ACE Report Gas Transparency Monitoring%209%20April%202013.pdf



ACER transparency monitoring in 2012

Results from ACER transparency monitoring – Feb 2012

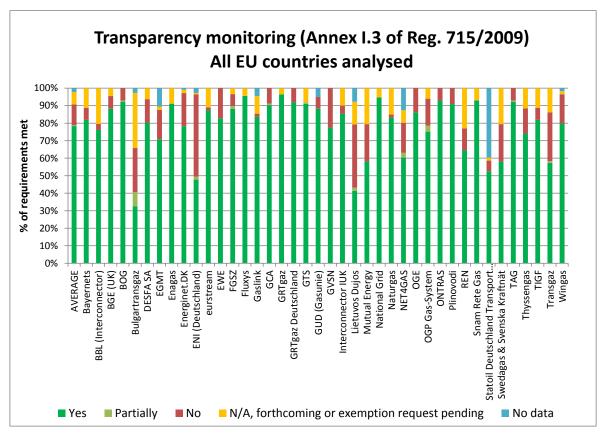


- On average, about 76% of requirements met
- Nine TSOs above 90%, 20 above 80%. Four below 50%
 - (*) Excluding the TSOs not bound by the transparency requirements from Regulation (EC) No 715/2009



ACER transparency monitoring in 2012

Results from ACER transparency monitoring – Oct 2012

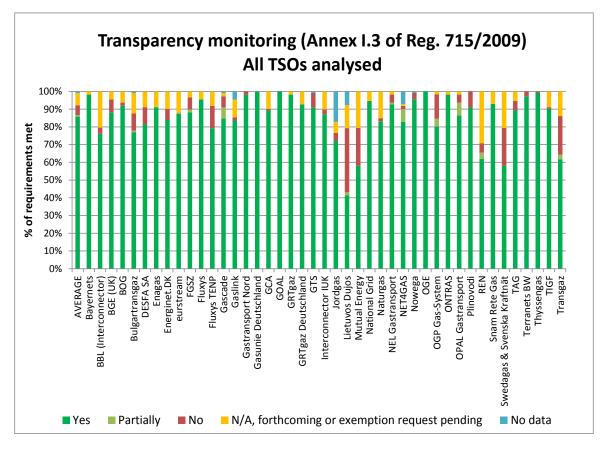


- On average, about 78% of requirements met by TSOs
- Twelve TSOs above 90% of compliance, 25 above 80%. Three below 50%
- (*) Excluding the TSOs not bound by the transparency requirements from Regulation (EC) No 715/2009



ACER transparency monitoring in 2013

Results from ACER transparency monitoring – April 2013



- On average, about 86% of requirements met by TSOs
- Twenty TSOs above 90% of compliance, 33 above 80%. One below 50%
- (*) Excluding the TSOs not bound by the transparency requirements from Regulation (EC) No 715/2009



ACER transparency monitoring in April 2013 Main findings

Results from ACER transparency monitoring – April 2013 Main findings

- In general, high degree of compliance, in particular in:
 - ✓ Description of transmission system and services
 - ✓ Network code and contracts, pressure requirements, interruption procedure
 - ✓ Provisions on CAM, CMP anti-hoarding and reutilisation
 - Nomination and matching procedures
 - Balancing rules and imbalance charges
 - ✓ Rules for connection to TSOs' facilities
 - ✓ General information on technical/booked-available/firm-interruptible capacity
 - ✓ User-friendly instruments for calculating tariffs
 - ✓ Form of publication (easy access, user-friendliness, downloadable formats, etc.)
- However, limited compliance in a number of areas:
 - x Information "near real time" of actual physical flows
 - x Historical information on capacities, nominations, interruptions, physical flows
 - x Flexibility and tolerance levels, planned and actual interruptions
 - x Methodology, process and parameters for capacity calculation
 - x Measured values of the gross calorific value or Wobbe index
 - x Information about the secondary market (N/A in many cases) and for balancing purposes



ACER transparency monitoring in 2013 Conclusions and recommendations in ACER report

Transparency monitoring by ACER Evolution in 2012-2013 and recommendations in ACER report

Conclusions from observed evolution 2012-2103

- Progressive and continuous improvement of compliance with transparency requirements from Chapter 3, Annex I of Reg. 715/2009
- Enhancements observed in most TSO websites. Some of them even reaching 100% of formal compliance. Significant upgrades by other TSOs
- Full compliance still to be achieved, improvement needed in a few areas

Recommendations

- Renewed efforts were still needed by TSOs and also ENTSOG, in order to set up its EU-wide Transparency Platform by 1 October 2013
- Relevant milestone publication of new CMP-related data
- NRAs to continue analysing compliance by TSOs at national level
- Good example: standard section in TSO websites with same structure as Chapter 3, Annex I to Reg. 715/2009



ACER Opinion of 9 October 2013

on a harmonised format for data publication by TSOs and ENTSOG

- Required by point 3.1.1(1)(e) of Annex 1 to Reg. 715/2009 (as amended by EC Decision of 24 August 2012)
- Opinion related to all aspects which ACER understands directly or indirectly – related to the format of data publication:
 - <u>File formats</u> for data download
 - Format of quantitative data published (<u>data specifications</u>)
 - Modalities of data acquisition
 - Requirements for users to have access to data
 - Users' interface
 - Data <u>quality</u> and <u>granularity</u>
 - <u>Timeliness</u> of information published (frequency of publication)
- Opinion based mainly on information provided by ENTSOG



ACER Opinion of 9 October 2013

on a harmonised format for data publication by TSOs and ENTSOG

General comments

- ACER acknowledges the work undertaken by TSOs and ENTSOG and the significant efforts made to improve transparency in data published
- The Agency welcomes ENTSOG's cooperative approach
- ACER recognises that the availability of data in ENTSOG's TP is a joint effort and shared responsibility by ENTSOG and TSOs
- The format of data published should be in line with the requirements in point 3.1.1 of Annex I to Reg. 715/2009 and adapted to the content
- The Agency will rely on the information published in ENTSOG's TP to get data for some of its tasks, in particular:
 - Market monitoring report
 - Monitoring report on congestion at interconnection points



ACER Opinion of 9 October 2013

on a harmonised format for data publication by TSOs and ENTSOG

Recommendations and comments on the format (1/3)

- File formats: xls, csv and xml are offered
 - ✓ In line with requirement of data being downloadable (3.1.1(1)(e) of Annex 1)
- Format of quantitative data and data specs
 - \checkmark Data allows for quantitative analyses (3.1.1(1)(e) of Annex 1)
- Modalities for data acquisition: manual and automatic
 - ✓ The Agency deems it positive as it provides flexibility to users.
 - ➤ The Agency invites ENTSOG to inform all users about the possibility and conditions to have access to the Automatic Download Tool
- No registration or additional licenses necessary for manual access
 - ✓ In line with requirement of data free of charge and without need to register (3.1.1(1)(a) of Annex 1)
 - Registration required for use of Automatic Download Tool (security reasons)



ACER Opinion of 9 October 2013

on a harmonised format for data publication by TSOs and ENTSOG

Recommendations and comments on the format (2/3)

- Interface and functionalities available
 - ✓ ACER welcomes range of functionalities
 - ➤ The Agency recommends ENTSOG that these functionalities allow the user to download historical data for past 5 years and data for 18 months ahead
 - ➤ ACER also recommends publishing data in a visual way (graphs, charts and maps) where possible and relevant
- Data quality and granularity
 - ACER invites TSOs and ENTSOG to match the needs of network users and publish data with highest possible granularity and level of detail
- Timeliness of information published
 - ACER encourages TSOs and ENTSOG to pursue further harmonisation by agreeing on a minimum frequency for the simultaneous publication of near real-time data on the individual TSO websites and on ENTSOG's TP
 - The agreed minimum frequency should be notified to NRAs and network users



ACER Opinion of 9 October 2013

on a harmonised format for data publication by TSOs and ENTSOG

Recommendations and comments on the format (3/3)

Other recommendations:

- > Data published on the TP to provide a clear indication to the users of the date and time of its publication
- > TP to offer the users the possibility to subscribe to specific contents and be notified of any change or update in the information published
- ➤ Update TP Manuals (TSO, User and Automatic Download), communicate it to users and to ACER and publish all documents on ENTSOG website, notifying any future update
- ✓ The Agency notes and welcomes the publication by an increasing number of TSOs of data in a standard section on their websites, following the same structure of Chapter 3, Annex 1 to Regulation 715/2009
- ACER invites NRAs to supervise that these standardised sections are userfriendly and regularly check their completeness



Preliminary views on ENTSOG's new Transparency Platform

Preliminary views on ENTSOG's new TP

New enhanced Transparency Platform in operation since 1 October 2013

Preliminary impressions:

- Overall improvement of web design user-friendliness and usability
- > Easier access to specific information per TSO and interconnection point
- More structured way to present available data for each IP
- Export Wizard allows for enhanced quantitative analysis of historical data
- Useful new features: favourite points/routes, news alert

• Improvement needed in:

- > Inclusion of all TSOs and relevant points in the platform
- > Data not yet available for a number of items at certain IPs
- Enhancement needed in data quality and quantity
- Export Wizard should allow to select all IPs at once and to retrieve data at the moment of the query (not sending it by e-mail ex-post)



Latest developments

Latest developments

- ACER Opinion sent to ENTSOG and published on 11 October 2013
- Press release by ENTSOG on 23 October announcing the standardised publication of data by TSOs on individual websites, following ACER's and ENTSOG's recommendation
- Letter from ENTSOG in response to ACER Opinion (14 November):
 - Appreciation of ACER's positive feedback on work on transparency
 - Welcome ACER's recommendations regarding the new TP
 - ➤ ENTSOG picks up on most points from ACER Opinion and addresses its recommendations, explaining how they have been met already or when they are expected to do so
 - > Grateful for constructive cooperation between ENTSOG and ACER
- Data for ACER report on congestion monitoring on 1 March 2014 (Q4 2013)
 - > First data set format delivered by ENTSOG to ACER on 6 Dec 2013
 - Data provision still needs refinement to fit ACER's needs to carry out the report





Conclusions

- Overall improvement of transparency situation since ACER started monitoring transparency at the end of 2011
- ACER acknowledges significant efforts done by TSOs and ENTSOG for improving transparency in the information published
- Relevant developments:
 - > **Standard publication** of data by TSOs on their individual websites, following the same structure as in Chapter 3, Annex 1 of Regulation 715/2009
 - > Enhanced ENTSOG EU-wide **Transparency Platform** since 1 October
- But still, improvement required in certain aspects:
 - > Inclusion of all TSOs and relevant points in ENTSOG's TP
 - > Certain features from the TP can be upgraded (e.g. data export wizard)
- Improvements expected for new Transparency Platform in 2014
- The Agency will rely on ENTSOG's TP to get data for ACER reports (market monitoring, monitoring of congestion at IPs)



Disclaimer

- The views expressed in this presentation are the views of the speaker and do not necessarily reflect the views of the Agency for the Cooperation of Energy Regulators, or of any of its Boards.
- The Agency for the Cooperation of Energy Regulators does not guarantee the accuracy of all data and information included in this presentation and accepts no responsibility for any consequence of their use.



Thank you for your attention!



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ENTSOG 7th Transparency Workshop

REMIT Implementing acts

Panagiotis Panousos
Business Area Manager, System Operation

Brussels – 11 December 2013

From Reg (EU) 1227/2011 to implementing acts

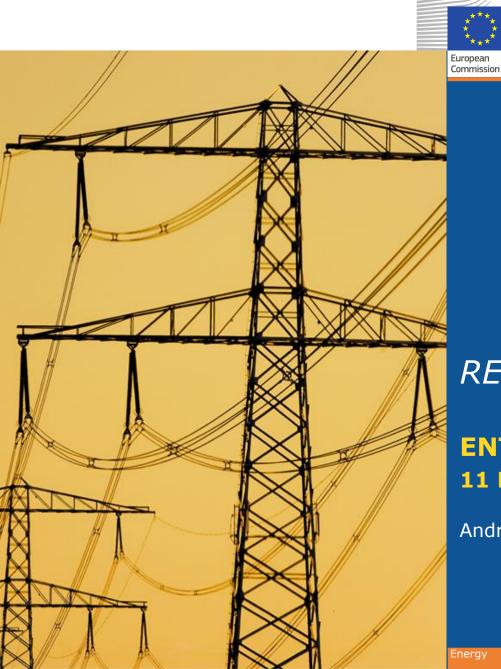
ENTSOG has been active in...

- > informing and coordinating its members
- > responding to consultations
- > participating in IT experts group
- > organizing workshops with ACER
- > proposing solutions for implementation
- > discussing with EC

Draft implementing acts are defining:

- > ENTSOG's role in data provision
- > TSOs responsibilities





REMIT – implementing rules

ENTSO-G Transparency Workshop 11 December 2013

András Hujber



REMIT – Key measures

Definitions and prohibitions

- No trading on price-sensitive fundamental data
- No price manipulation

Market monitoring and data collection

- European market monitoring and efficient data collection at ACER
- National energy regulators to cooperate with full access to relevant data

Investigation and enforcement

- National energy regulators to enforce rules
- ACER to initiate and coordinate complex, cross-border investigatory work



REMIT - Reporting arrangements

Implementing rules to set out details of reporting

- List of reportable contracts
- Details, timing and format of data to be reported
- Uniform rules of reporting
- Data transfer to be facilitated by third parties

Work to prepare the rules

- Public consultation
- Expert advice from consultants
- ACER advice
- 'Pilot Projects'



List of reportable contracts

Wholesale energy transactions and derivatives

- ACER to define standard transactions → reporting format
- >600 GWh final consumer contracts

Transportation contracts and derivatives

- Primary allocation of capacities
- Secondary trades

Negative list to define non-reportable contracts

- OTC intragroup
- threshold for small RES producers

Master agreements and product IDs

ACER to be informed





Details of transactions

Required details listed in Annex

- Reportable details largely to follow EMIR requirements
- Separate tables for:

standard and non-standard trades

Transportation contracts

 Details of balancing contracts to be determined at a later stage by ACER



Reporting logic

No double reporting under EMIR/MiFID(R) and REMIT

 Trade repositories and financial regulators to provide reported data to ACER

Trades on organised markets to be reported through the market place or other facilitators

including orders to trade

OTC trades to be reported by market parties or third parties on their behalf



Reporting - frequency & timing

Frequency

- Standard transactions and balancing contracts → up to D+1
- Non-standard transactions → up to M+1
- Upon commencement of reporting all deals to be reported that have been outstanding + any subsequent transactions

Start of reporting

- Standard deals → 6 months after adoption
- Non-standard → 12 months after adoption
- Balancing → two years after balancing codes



Reporting of fundamental data

ACER to receive from:

- ENTSOs → direct access to transparency platforms
- TSOs → Auction results + Individual nominations
- LNG facilities → use of terminals, unavailabilities
- Storage facilities → individual nominations, stock data, unavailabilities

Daily reporting cycle

Market parties to provide ACER with web feeds of disclosed inside information



Timeline

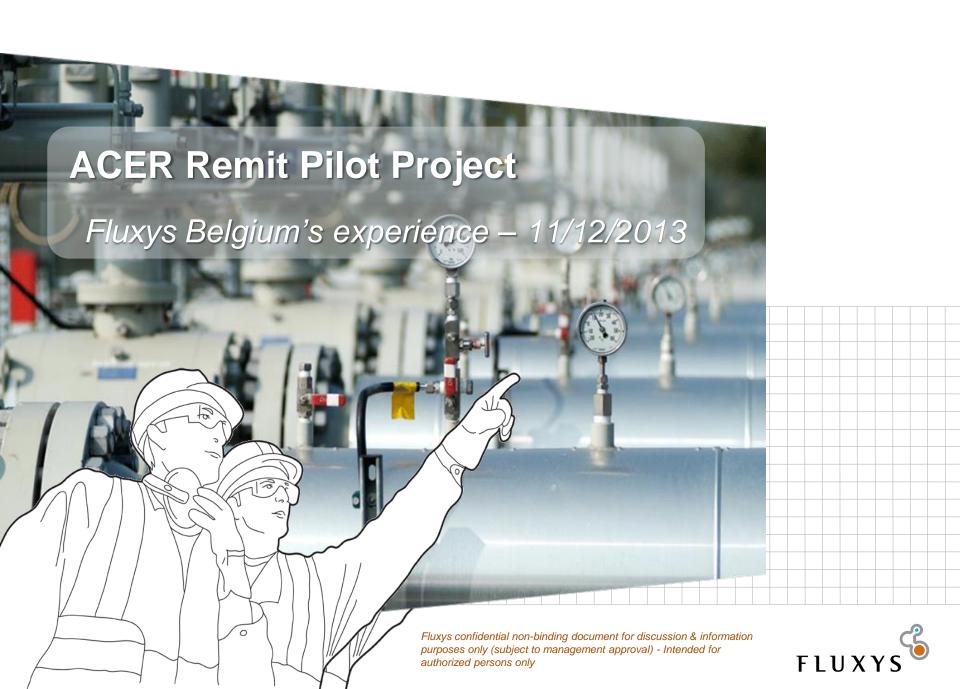
Implementing the reporting framework

- Stakeholders to provide input → mid November
- Commission to present draft rules to Committee
 → December 2013
- Entry into force → ~ Q2 '14
- Start of data reporting → ~ Q4 '14

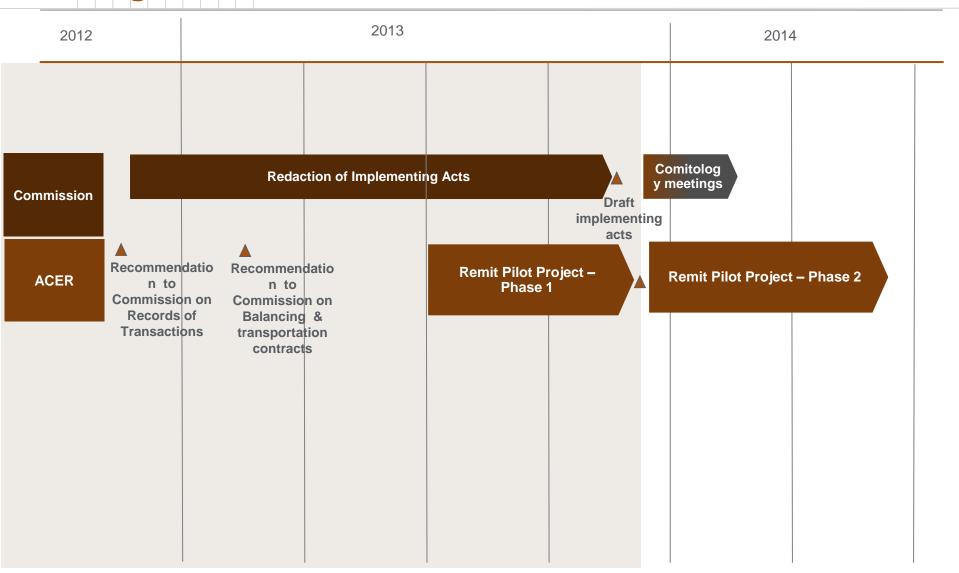


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REMIT Pilot Project: TSOs' experience



High-level timeline Remit





ACER Remit Pilot project - Purpose

- Purpose ACER
 - Prepare for full launch of market monitoring in 2014
 - Illustrative key parties were invited through expert groups network (PXs, Broker(s), TSO and/or ENTSOs) to gather valuable input
- Participating Gas TSO's
 - Focus on provision of fundamental data (capacity & nominations)
 - Fluxys Belgium, GTS, National Grid and ENTSO-G as observer
- Aim participation

Phase 1: Based on ACER's recommendations

- Clarify which data are expected & provide XML schemes/dummy data december 2012
- Manage TSO effort/costs/data provision
- Ensure consistency with Network codes

Phase 2: Prepare planning for "go-live" phase



Remit Pilot project ACER - Approach

- Conf calls between TSOs and ACER to discuss "what" will be provided for the purpose of the pilot project
 - Based on recommendation ACER & position ENTSO-G
 - Agreement for scope of pilot project
 - Provisional allocations, Day-ahead and final nominations
 - Final contracted position
 - Technical and available capacity
 - Focus on IPs, LNG terminals, Storage and production points
 - Domestic exit points aggregated per shipper for Industry and DSO information
 - Data of december 2012
 - In kWh
- Requests to internal xml-experts to design a set of market monitoring messages which can be used for market monitoring by any regulator
- Debriefing of other gas TSO's within ENTSO-G



Remit Pilot project ACER – lessons learned

- > Scope of the Pilot project limited with respect to draft implementing acts
- Still concerns about unneccesary costs (interfaces TSO-ACER and ENTSO-G ACER)
- Open discussions between pilot participants and ACER on the content of the data to be provided for the purpose of the Remit Pilot Project
 - ACER was open for suggestions and concerns from TSO's





EXCELLENCE IN GAS TRANSPORT



nationalgrid

REMIT Pilot: National Grid's Perspective



Robert Westmancoat

ENTSOG 7th Transparency Workshop

(11 December 2013)



Topics for today:

- 1 Overview of REMIT Pilot Project
- 2 GB-specific context
- 3 Experiences during the Pilot Project
- 4 Key Lessons

Overview of REMIT Pilot Project:

- Stated objectives of the project:
 - Gather input from various parties involved in data collection
 - Develop a working IT system prototype to collect data
 - Collect sufficient data for initial tests & for ACER to design monitoring solutions
 - Identify open issues and problems at an early stage of REMIT legislation implementation.

Overview of REMIT Pilot Project:

Timeline:

- Aug / Sep = Develop XML schema formats for data set
- Oct / Nov = Test data exchange including validation engines
- Nov / Dec = Interim results to NRAs and pilot project participants

Scope:

- Project initially based on Dec 2012 data set, then expanded, in Phase 2 to cover full data set for 2012.
- Participants: Wide spectrum of industry players, including:
 - EEX, APX, Trayport, RWE trading, EDF trading, BG, Fluxys, Gasunie, GTS, OMIE
- Requirements of the TSO members: Fundamental data
 - Last nomination and re-nomination at shipper level
 - Capacity entitlement at shipper level
 - Hourly flow data for all relevant points

GB-specific context:

- National Grid and Xoserve
 - National Grid are the TSO
 - Xoserve is the "Gas Transporters' Agent"
 - enable the commercial market, and provide centralised information and data services
 - e.g. Capacity and Nominations data
- NG's sources for the pilot's fundamental data:
 - Hourly flow data NG
 - Nomination data (at shipper level) Xoserve
 - Capacity data (at shipper level) Xoserve

Experiences during the Pilot Project:

Overall message:

- Useful experience and information gained
- Welcome collaboration in development with ACER and other Market Participants
- Specific comments:
 - Data issues
 - Non-data issues

Experiences during the Pilot Project:

Data issues:

- Requiring a third party to supply most of NG's data.
 - Unable to advance progress as fast as we would wish.
- Xoserve's lack of experts knowledge of capacity products and data requirements
 - Complexity of the various auctions (long term, short term, etc) and types of capacity (firm, interruptible, buyback entitlement swaps).
- Delays in being supplied an xml schema for fundamental data and then co-ordinating it with our schema expert availability.
- Un-validated nature of some of the (non-operation) data
 - Manual sense checking and cleaning.

Experiences during the Pilot Project:

Non-data issues:

- Non-Disclosure Agreement (NDA)
 - Required due to the commercial nature of disaggregated nomination and capacity data
 - Delay and complexity of the NDA sign off
- Ensuring consistent understanding of terminology between EU and GB parties
- Use of MD5# encrypter to anonymize nominals was too sensitive as NG and Xoserve used different nominals for customers details i.e. the same shipper would be allocated different codes.

Key Lessons: Issues

- Quality of operational data
 - D+1 data (as required under IAs) not undergone full QA Short timescales will incur higher TSO costs for ensuring robust, accurate data
- REMIT and Transparency data formats differences.
- The volume of data required (308,630 data points) and the resources available (2 part-time persons) limited the ability to monitor it.
- The reliance on a 3rd party, and their good will, made sticking to time scales difficult.

Key Lessons: Conclusion

- REMIT Pilot Project very useful for revealing the practical challenges faced by TSOs in supplying data
- Valuable insight to prepare for reporting requirements
- Further work required to be ready for Implementation in ~Q4 2014
- National Grid very appreciative of the efforts of all involved to work on the project, especially:
 - Xoserve for facilitating data for our participation
 - ACER for the opportunity and collaboration
 - TSOs in working together to define formats

nationalgrid

REMIT Pilot: National Grid's Perspective



Robert Westmancoat

ENTSOG 7th Transparency Workshop
(11 December 2013)



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FG Tariff requirements on Transparency



Tariff Framework Guidelines – Publication Requirements

Ann-Marie Colbert Adviser, Market

Brussels – 11 December 2013

Tariffs: Existing Requirements for Transparency

Regulation (EC) No 715/2009 already sets out transparency requirements:

- 'Tariffs, or the methodologies used to calculate them, applied by the transmission system operators and approved by the regulatory authorities pursuant to Article 41(6) of Directive2009/73/EC, as well as tariffs published pursuant to Article 32(1)of that Directive, shall be transparent...'. {Article 13 (1)}
- In order to ensure transparent, objective and non-discriminatory tariffs and facilitate efficient utilisation of the gas network, transmission system operators or relevant national authorities shall publish reasonably and sufficiently detailed information on tariff derivation, methodology and structure. {Article 18 (2)}



Tariffs: New Requirements for Transparency

- Section 2 of the framework guidelines on harmonised transmission tariff structures for gas (TAR FG) is dedicated to publication requirements.
- ACER's TAR FG goes further than Regulation 715 and is prescriptive in terms of the amount of information that is required to be published
- The aim of the publication requirements is to allow network users to be fully aware of the costs underlying the transmission services and obtain a reasonable degree of tariff predictability.
- Third parties should be able to make a reasonable estimation of the reference price from published transmission cost data, including a reasonable estimation of the reference price in the subsequent year(s) within the remainder of the current regulatory period



Tariffs: New Requirements for Transparency

The transparency requirements can be split into four categories:

- 1. Requirements related to the choice and the review of the chosen cost allocation methodology
 - Consultation on the chosen cost allocation methodology
 - b) Cost allocation test results
 - c) Counterfactual comparing the chosen cost allocation methodology with another
- 2. Requirements related to the publication of the minimum set of the information
 - a) inputs for the applied cost allocation methodology
 - b) rules and amounts on the reconciliation of the regulatory account
 - c) information on the reserve prices
- 3. Requirements related to the notice period for changes in the reference prices
 - a) Publication of reference prices at least 30 days prior to start of next gas year or of the regulatory period
 - b) Minimum publication period increase to 60 days if tariffs are expected to increase by 20% or more
- Requirements related to incremental or new capacity
 - a) Present value of the estimated potential increase of the TSOs' allowed revenue (PVAR)
 - b) Fraction ("f") of PVAR, which needs to be underwritten by user commitments to pass the economic test
 - c) An estimated projection of tariffs for the bundled yearly capacity products of the capacity expansion(s) considered and an explanation of how it is calculated.



Tariff Network Code Development Process

- ENTSOG expect to start the formal tariff network code development process in January
- A number of public workshops and meetings will be held during the year to discuss the development of the network code
- ENTSOG encourages early stakeholder participation in the process and particularly in the formal consultations that will be held during the process

Activity	Date(s)
Kick off workshop	15/01/14
SJWS 1	11/02/14
SJWS 2	27/02/14 (tbc)
SJWS 3	14/03/14
SJWS 4	tbc
SJWS 5	09/04/14
Consultation workshop	25/06/14
Refinement workshop	24/09/14

Thank You for Your Attention

Ann-Marie Colbert Adviser, Market

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Transparency requirements in the Tariffs FG

Juan de Miguel
Gas Department
ACER

7th ENTSOG Transparency Workshop Brussels, 11 December 2013



Objectives

- Art. 18(2) of 'Gas Regulation' and Art. 41(1)(a) of 'Gas Directive':
 Where relevant, TSOs and NRAs to provide reasonably and sufficiently detailed information on tariff derivation, methodology and structure
- Main objective: allow network users to be fully aware of the costs underlying transmission services and obtain a reasonable degree of tariff predictability
- Third parties should be able to:
 - make a reasonable estimation of the reference price from published cost data, including all year(s) within the current regulatory period;
 - > understand all TSO services and the corresponding tariffs;
 - understand how individual transmission tariffs have been derived and why they (do not) differ



Public consultation and approval decision

- At entry into force of NC, public consultation on proposed methodology for determining reference prices
- Published in English and in the official language of the Member State
- The public consultation shall contain, for two methodologies:
 - How appropriate they are in the light of the network specifics (topology, consumption profile...)
 - All relevant input data necessary to determine tariffs
 - Results from the application of the Cost Allocation Test assessing cross-subsidies between domestic and cross-border network users
- Following the PC, the NRA approves the Cost Allocation Methodology
- NRAs shall review and update the explanation and justification at least every 4 years (or more frequently if deemed appropriate)
- Any proposed changes shall be consulted and subject to NRA approval



General publication requirements (1/3)

- At entry into force of NC, all relevant information to calculate tariffs shall be made publicly available by TSO/NRA, in English and in the official language
- Reviewed and updated at least every four years (or more frequently)
- Non-exhaustive list of relevant info (may be further defined by ENTSOG in NC):
 - I. Inputs for cost allocation methodology applied
 - II. Rules on, and amounts used in, the reconciliation of the regulatory account, including treatment of auction revenues
 - III. Information on reserve prices, such as level and underlying reasons for multipliers and seasonality factors, and formulas to calculate discounts/reserve prices for interruptible products
- Information for multiple TSOs shall be published at an entry-exit zone level
- NC Tariffs shall develop a standardised format for publishing the info above (e.g. by integrating it into the EU-wide ENTSOG TP)



General publication requirements (2/3)

I. Inputs for cost allocation methodology applied

A. Inputs on the allowed revenues

- allowed or expected revenues;
- capacity/commodity, entry-exit and cross-border domestic splits;
- any cost sub-components of allowed revenues related to network expansion and charges other than the reference price;
- exclusion of revenues related to dedicated services/infrastructure

B. Transmission system characteristics

- Regulatory Asset Base (RAB);
- capacity data (technical/booked) at all network points where tariff methodology applies;
- flows in the network;
- reference conditions for determination of technical/booked capacity or flows;
- the network representation used, including pipeline lengths and diameters and info on compressor stations' power



General publication requirements (3/3)

C. Cost concepts used

- Observed costs: costs of existing system
- Incremental costs: costs of expanding the system
- Observed costs shall be recorded in the financial statements or approved by the NRA
- Where relevant, the chosen indexes of inflation, realised inflation and depreciation shall be specified

D. Cost-efficiency targets

E. Locational signals



Publication notice period

 NC Tariffs shall set out a minimum notice period of at least 30 days for NRA (or TSO) to publish revised the reference prices prior to next gas year, or tariff/regulatory period (60 days if prices are expected to increase by > 20%)

Incremental and new capacity

TSOs shall publish the data related to the economic test (ET)



For further information...

ACER website:

Dedicated page to FG Harmonised transmission tariff structures:

http://www.acer.europa.eu/Gas/Framework%20guidelines and network%20code s/Pages/Harmonised-transmission-tariff-structures.aspx

Acts of the Agency – Framework Guidelines:

http://www.acer.europa.eu/Official documents/Acts of the Agency/Framework Guidelines/Pages/default.aspx

ACER contact:

Ms Csilla Bartók: Csilla.BARTOK@acer.europa.eu



Thank you for your attention!



www.acer.europa.eu



ENTSOG 7th Transparency Workshop

Conclusions

Panagiotis Panousos
Business Area Manager, System Operation

Brussels – 11 December 2013

Conclusions

- > TP upgrade has been very positive and towards the right direction
 - Design, structure, new features, export possibilities are well-appreciated
 - Further improvements in data quality and quantity, TSOs full participation, export mechanism are necessary
 - Data granularity and frequency of updates are important for the market. Even if published data is provisional, it can be of a merit
 - New TP is well-expected
 - TP is to be used for ACER monitoring report for CMP implementation. For the first report ENTSOG is requested to support in data
- > REMIT implementation regarding reporting of fundamental data from TSOs to ACER will require significant effort and resources from TSOs and being ready on time is a big challenge
 - TSOs' participation in ACER pilot project gave a lot of experience
 - TSOs, cooperating under ENTSOG, can work with EC and ACER in defining all necessary implementation details which are not clear in regulation
- The new code for Tariffs to be developed next year might put new requirements for data publication in the TP. The exact scope shall be defined during NC development process



Thank You for Your Attention

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