

# TAR NC Transparency Requirements

**More transparency for TSO tariffs as from 2017**

**Sean Kinsella, Market Adviser**

**Laurent Percebois, Market Adviser**

# TAR NC Transparency: why, how & when?

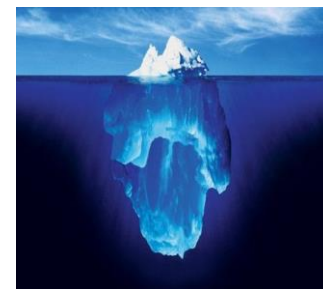
## *Feedback on TAR NC developments in 2015-16*

### > Why:

- At Informal and Formal Comitology meetings, it appeared that for stakeholders, transparency was a major improvement to bring to TSO tariffs
- TAR NC highlights the need for tariff replicability and the ability for network users to forecast tariff evolution
- Therefore, **transparency is a key achievement of TAR NC**

### > How:

- Transparency is based on 2 sets of information (detailed in Chapter VIII of TAR NC)
  - Information provided prior to annual auctions (from 2018, in July each year)
  - Information provided prior to start of tariff period (6 groups of MSs)
- **2 ways to provide tariff transparency** as per TAR NC
  - TSO/NRA website (depending on NRA decision)
  - ENTSG Transparency Platform (**TRA PF** hereafter)



### > When:

- **Chapter VIII** on 'Publication Requirements' is applied as from **1 October 2017**, i.e. before the full application of TAR NC, which is from 31 May 2019

*Transparency in TAR NC is defined in Chapter VIII, with provisions to be applied by 1 Oct. 2017*

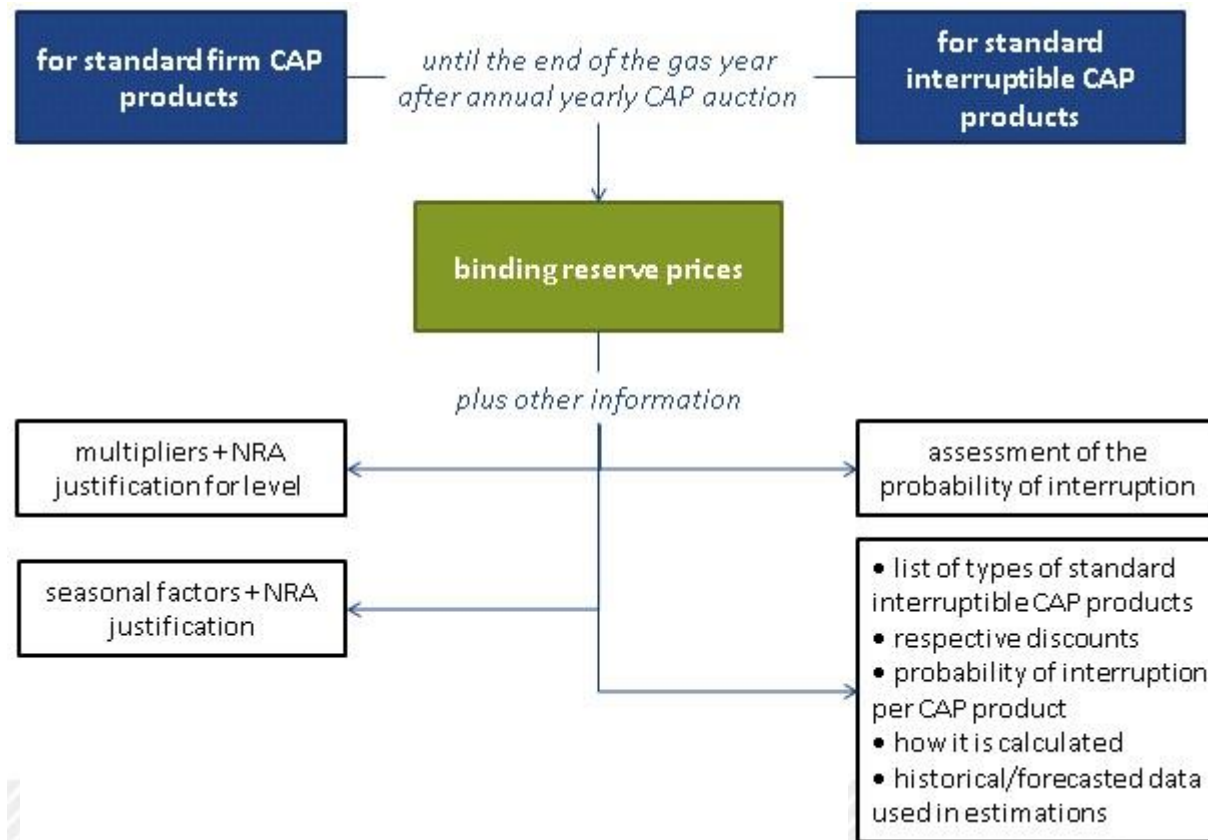


## **Transparency in TAR NC: What information to publish?**



# Info. prior to annual auctions

***In June Y, all TSOs in EU to publish information for yearly auctions***



Art. 29 of TAR NC defines **relevant information to publish in June Y**

- **For which points:** For IPs, and non-IPs where CAM NC is applied
- **End of validity date:** Info to be valid until end of gas year starting after annual auction (i.e. for July 2018 auction → until September 2019)
- **For which products:** Firm and interruptible capacity, yearly and non-yearly products

**When to publish info:**

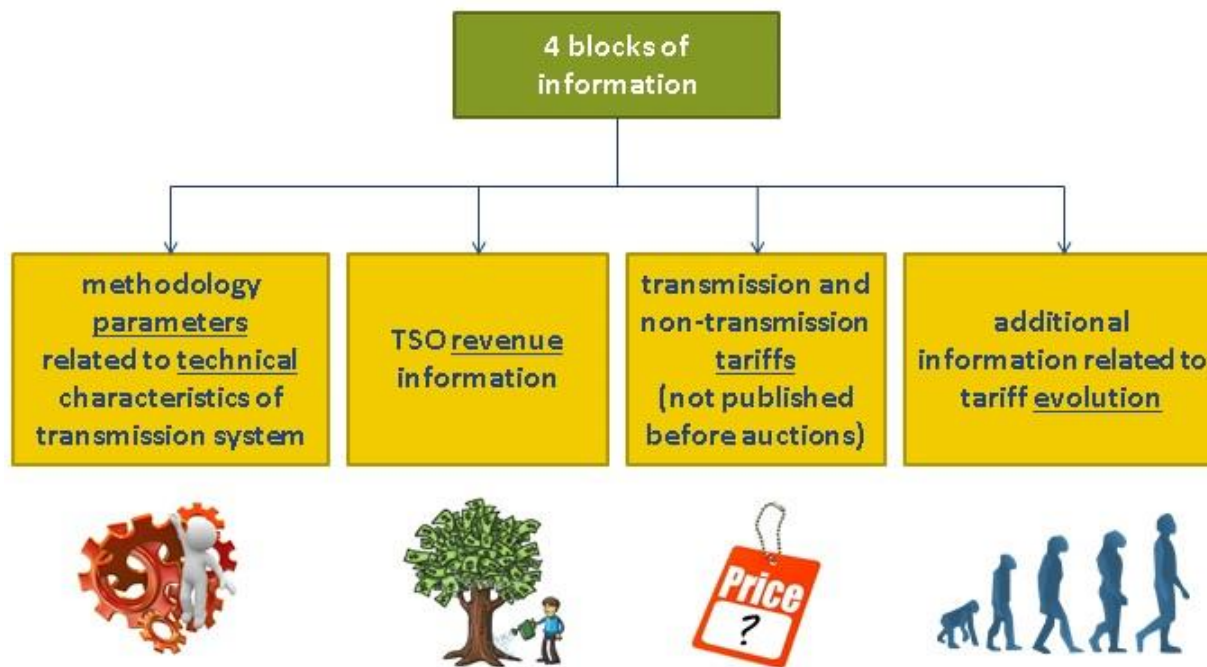
- No later than 30 days before the annual yearly capacity auction, see *infra* (art. 32 of TAR NC)

*Information prior to July auction: Focus mainly on IPs, with transparency on IP tariff components*



# Info. prior to Tariff Period (TP) [1]

*6 groups of MSs with different TPs, but information type is the same*



Art. 30 of TAR NC defines **relevant information** to publish before TP

- **For which points:** For all points (IPs and non-IPs)
- **End of validity date:** Info to be valid until end of TP (depends on TP of each MS)
- **For which products:** Firm and interruptible capacity, yearly and non-yearly products

**When to publish info:**

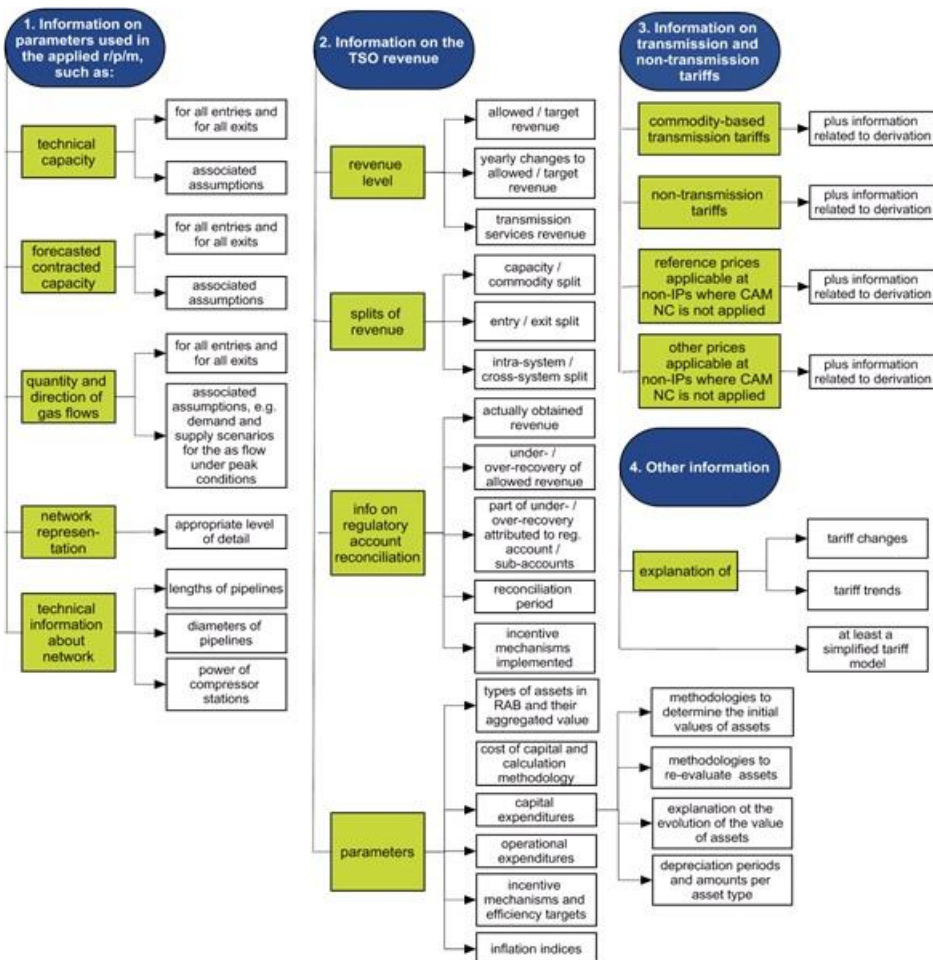
- No later than 30 days before start of the respective TP (art. 32 of TAR NC)

*Information prior to TP: Provided according to a MS-specific timeline (unlike annual auctions)*



# Info. prior to Tariff Period (TP) [2]

## More details on the 4 blocks of information at all points (art. 30)



### Block 1: Info on reference price methodology (r/p/m) parameters

- **Capacity:** technical and forecasted
- **Flows:** assumptions
- **Network representation**
- **Technical information**

### Block 2: Info on TSO revenue

- **Level**
- **Splits:** esp. for cost allocation assessments (Art. 5)
- **Regulatory account reconciliation**
- **Parameters for revenues:** WACC, CAPEX, OPEX...

### Block 3: Info on tariffs for transmission services (TS) and non-transmission services (NTS)

- **Reminder:** a service is necessarily part of TS if cost drivers are both capacity & distance AND service costs are related to RAB. If not, it can be a TS or a NTS

### Block 4: Other info

- Tariff evolution, at least simplified model (prevision)...



# Where to publish TAR NC information?

## 2 sources: *ENTSOG TRA Platform and TSO/NRA website (Art. 31)*

| Where                           | Similarities                                |   | Differences  |                          |  |  |
|---------------------------------|---|---|--|--------------------------|--|--|
|                                 | When  | How   | What   | For which points         | Language   | Additional                                     |
| On the website of TSO/NRA       | - Before auctions<br>- Before tariff period | - In a user-friendly manner<br>- Clear, easily accessible way<br>- On a non-discriminatory basis<br>- Downloadable format | All tariff information   | All points on the system | In official language(s) of MS + in English, to the extent possible | Link on ENTSOG TRA Platform to TSO/NRA website |
| Directly on ENTSOG TRA Platform |   |   | <b>Some tariff information:</b><br>- Reserve prices<br>- Flow-based charge<br>- Simulation of all costs for flowing 1 GWh/d/year | IPs only                 | In English only  | In a standardised table                        |

### ENTSOG TRA PF (in English) → for IPs only

- **June Y:** reserve prices for firm and interruptible capacity at IPs
- **30 days before TP starts:** flow-based charge (if any) and simulation for all charges
- **Standardised table (ST) required:** updated in June Y (and 30 days before TP starts for the 1 GWh/d/y flow, *see infra*). ST covers: 1) reserve prices, 2) flow-based charge (if any), and 3) simulation of all charges

### TSO/NRA website (in MS language + English if possible) → for all points

- **June Y:** reserve prices for firm and interruptible IPs + additional info (e.g. probability of interruption...)
- **30 days before TP starts:** non-IPs capacity tariffs + flow-based charge (if any) + additional info (e.g. on non-transmission tariffs)
- **Link on TRA PF to the website of TSO/NRA**

*In case of mismatch between TRA PF and TSO/NRA website: TSO/NRA website prevails!*



# TRA PF Standardised Table: contents

*A table to collect info on IPs: updated in June and before new TP*

## Update of Standardised Table (ST) in June Y

- Name of the IP
- Flow direction
- Names of TSOs interconnected at IP
- Start / End time of capacity product
- Firm / Interruptible product
- Tariff defined as kWh/h and kWh/d in local currency and euro (only capacity and monetary units actually applied are binding)

## Update of ST 30 days before TP starts

- Simulation of costs for flowing 1 GWh/d/y at IP (in local currency and euro) → same info as that given by ACER after TSOs / ENTSOG review in annual MMR

## TRA BT and TAR BT currently specifically collaborate on the ST

- Work on definition and structure of columns and rows

The image shows a large, complex table representing the Standardised Table. The table has many columns and rows, with some cells highlighted in red, blue, and green. A 'WORK IN PROGRESS' sign is placed over the top right corner of the table.

*Standardised Table: A table to ensure tariff transparency across Europe*



## **Transparency in TAR NC: When to publish?**



# When to Publish? [1]

## *Two deadlines for publication of information*

At least;

- 30 days before tariff period
- 30 days before annual yearly capacity auction

On TSO/NRA website and on ENTSG Transparency Platform.



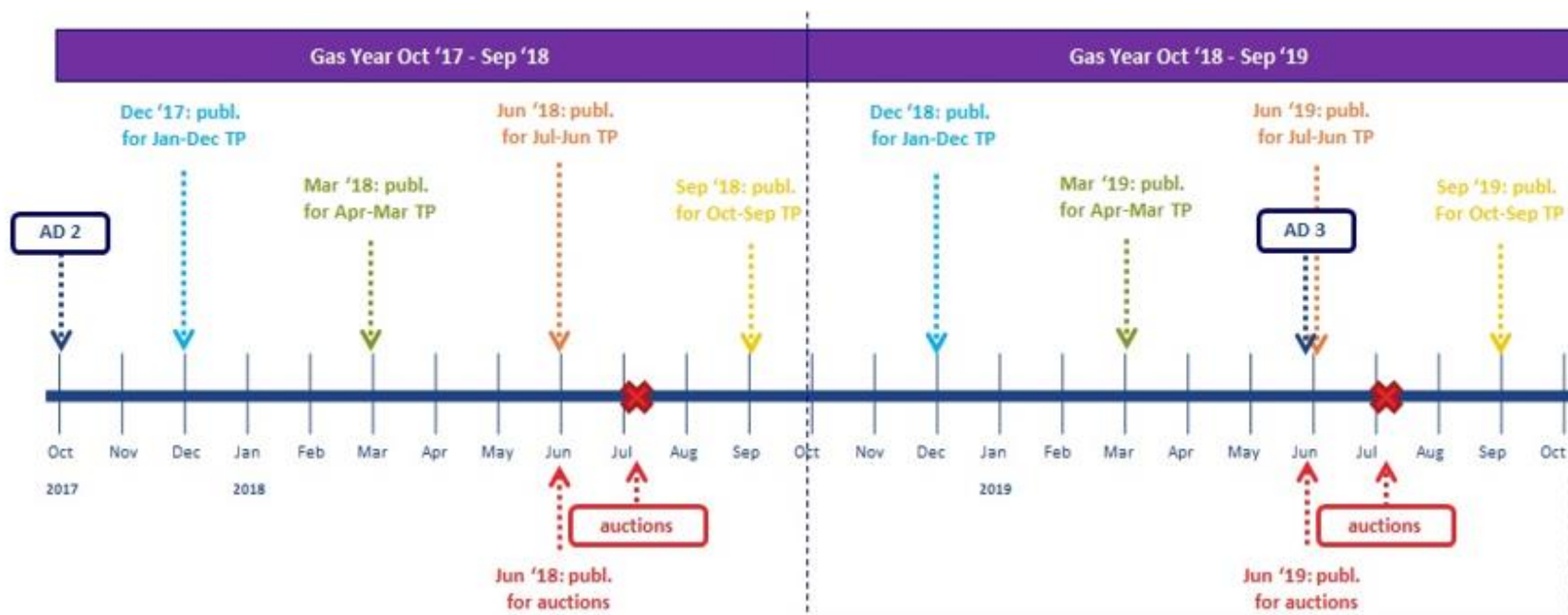
> *Application date of the Chap. VIII 'Publication requirements' **1 October 2017**, compliance with such **will take place later.***



# Deadlines for publication of information [2]



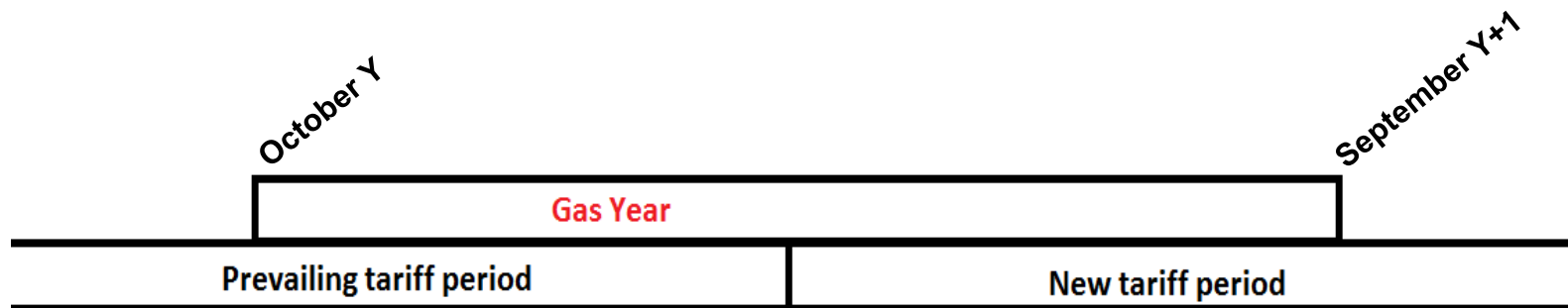
- December 2017 is the deadline for publication of information before the tariff period January 2018-December 2018
- March 2018 is the deadline for publication of information before the tariff period April 2018-March 2019
- June 2018 is the deadline for publication of information before the tariff period July 2018-June 2019
- June 2018 is the deadline for publication of information before the **auctions** in July 2018
- September 2018 is the deadline for publication of information before the tariff period October 2018-September 2019





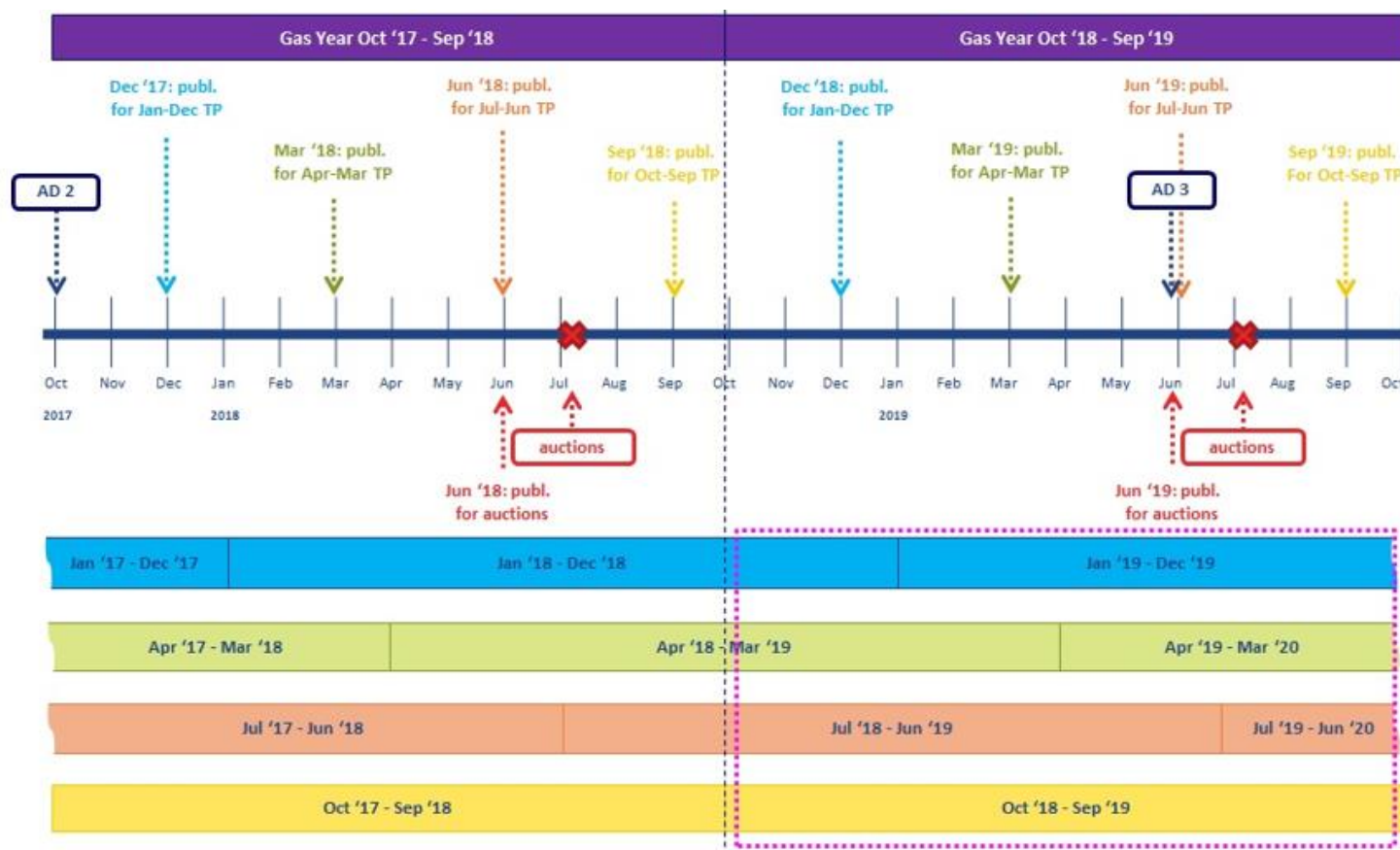
# Publication 'separate' reserve prices [1]

- Where gas year and tariff period don't align means;
  - One gas year, two tariff periods.  
Tariff periods effected: Jan – Dec tariff period  
Apr – Mar tariff period  
July – June tariff period
- Requirement to publish for **both** tariff periods.
- Effectively means binding reserve prices will be known up until **two years** from the time of their publication.





# Separate reserve prices [2]



Tariff periods changing in **pink dashed box** will have to publish binding reserve prices in June 2018 for two tariff periods



# 'new' tariffs [1]

## ➤ ***31 May 2019 – Application Date 3***

- Chapter II Reference Price Methodology
- Chapter III Reserve prices
- Chapter IV Revenue reconciliation



- > The application date of 31 May 2019 does **NOT** mean a change in reserve prices on this date!
  - Article 27(5) – Tariffs applicable for prevailing tariff period as of 31 May 2019 are kept '**until the end**' of such prevailing tariff period.
- > **Publication requirements** will depend on the particular Member States tariff period.

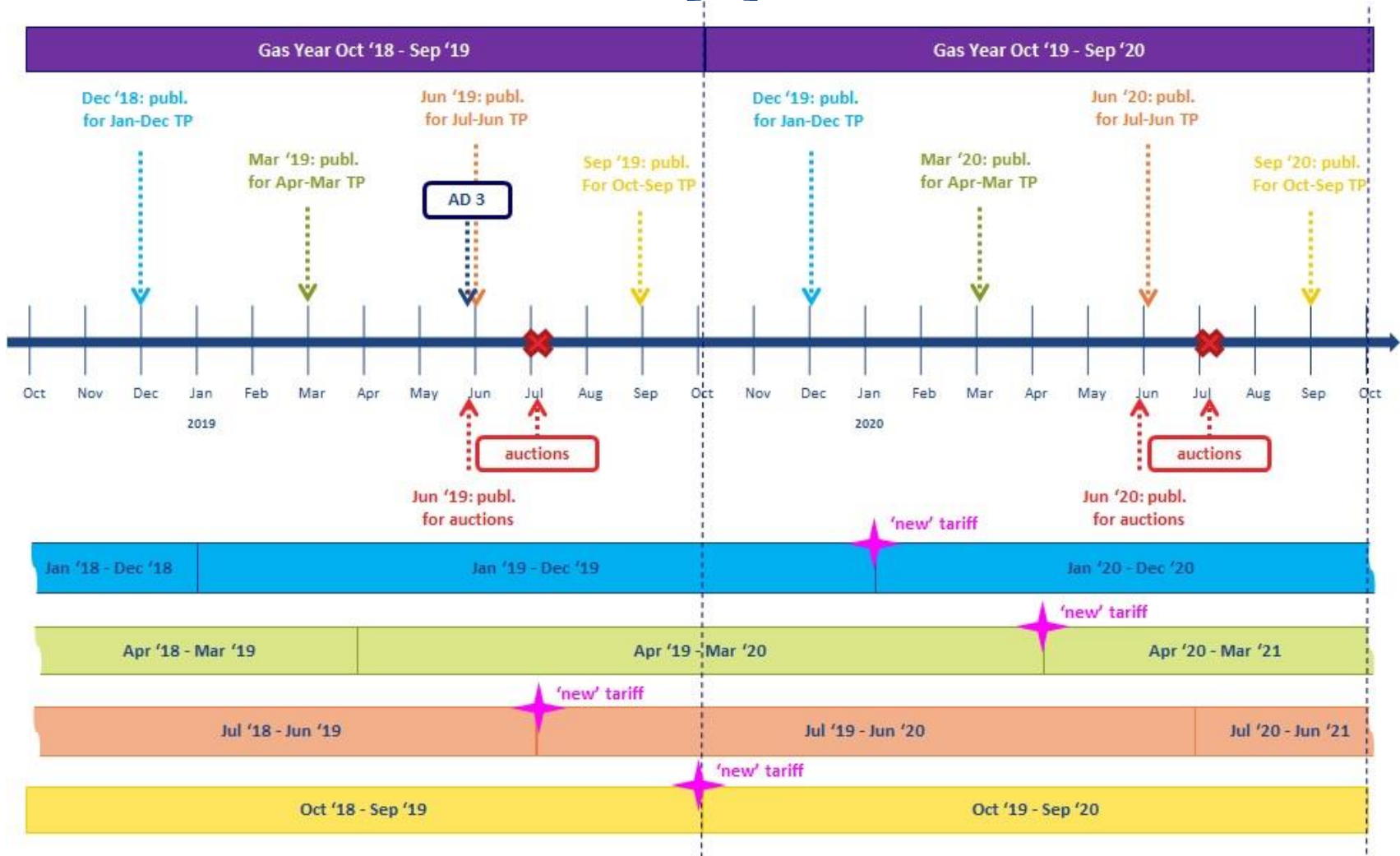
# Border date between 'old' and 'new' tariffs [2]

| Concerned MS   | Tariff period prevailing as of 31 May 2019 | 'Old' tariffs applicable until | 'New' tariffs as from | Sequence of change to 'new' tariffs |
|--|--|--------------------------------|-----------------------|-------------------------------------|
| BG, CZ, DE, ES, FI, GR, HR, IT, LT, LU, NL, PO, SI, SK | 1 January 2019 – 31 December 2019          | 31 December 2019               | 1 January 2020        | 3 <sup>rd</sup> to change           |
| FR   | 1 April 2019 – 31 March 2020               | 31 March 2020                  | 1 April 2020          | 4 <sup>th</sup> to change           |
| PT   | 1 July 2018 – 30 June 2019                 | 30 June 2019                   | 1 July 2019           | 1 <sup>st</sup> to change           |
| DK, GB, HU <sup>(10)</sup> , IE, RO, SE                | 1 October 2018 – 30 September 2019         | 30 September 2019              | 1 October 2019        | 2 <sup>nd</sup> to change           |
| AT   | 1 January 2017 – 31 December 2020          | 31 December 2020               | 1 January 2021        | 5 <sup>th</sup> to change           |
| BE   | 1 January 2016 – 31 December 2019          | 31 December 2019               | 1 January 2020        | 3 <sup>rd</sup> to change           |

*The table above provides an overview of the time period until which the 'old' tariffs are kept*



# AD 3 and 'new' tariffs [3]



*Illustration of tariff period as from which the 'new' tariffs are applicable (in pink), for four cases where the tariff period is equal to the duration of one year*



# Implementation Document – ‘when to publish what’

## Example

| Tariff period     | When to publish                  | What to publish on TSO/NRA website  | What to publish on ENTSG's TP  |
|-------------------|----------------------------------|---|--|
| Jan '19 – Dec '19 | Before tariff period:<br>Dec '18 | <ul style="list-style-type: none"> <li>Set of info before the tariff period</li> </ul>  | <ul style="list-style-type: none"> <li>Link to the set of info before the tariff period</li> <li>In a standardised table, flow-based charge and simulation of all the costs for flowing 1 <u>GWh</u>/d/year</li> </ul> |
|                   | Before auctions:<br>Jun '19      | <ul style="list-style-type: none"> <li>Set of info before the auction, including separate binding reserve prices for:                             <ul style="list-style-type: none"> <li>(1) Oct '19-Dec '19 (old tariffs)</li> <li>(2) Jan '20-Sep '20 (<b>new</b> tariffs)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Link to the set of info before the auction</li> <li>In a standardised table, reserve prices at IPs</li> </ul>   |
| Apr '19 – Mar '20 | Before tariff period:<br>Mar '19 | <ul style="list-style-type: none"> <li>Set of info before the tariff period</li> </ul>  | <ul style="list-style-type: none"> <li>Link to the set of info before the tariff period</li> <li>In a standardised table, flow-based charge and simulation of all the costs for flowing 1 <u>GWh</u>/d/year</li> </ul> |
|                   | Before auctions:<br>Jun '19      | <ul style="list-style-type: none"> <li>Set of info before the auction, including separate binding reserve prices for:                             <ul style="list-style-type: none"> <li>(1) Oct '19-Mar '20 (old tariffs)</li> <li>(2) Apr '20-Sep '20 (<b>new</b> tariffs)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Link to the set of info before the auction</li> <li>In a standardised table, reserve prices at IPs</li> </ul>   |
| Jul '19 – Jun '20 | Before tariff period and before  | <ul style="list-style-type: none"> <li>Set of info before the tariff period</li> <li>Set of info before the auction, including separate binding reserve prices for:</li> </ul>  | <ul style="list-style-type: none"> <li>Link to the set of info before the tariff period and before the auction</li> <li>In a standardised table, flow-based charge, simulation of all the costs</li> </ul>             |



# Thank You for Your Attention

Tariff Brussels Team

ENTSOG -- European Network of Transmission System Operators for Gas  
Avenue de Cortenbergh 100, B-1000 Brussels

EML: [TAR-NC@entsog.eu](mailto:TAR-NC@entsog.eu)

WWW: [www.entsog.eu](http://www.entsog.eu)