

GLOSSARY FOR BAL NC



Annex I

For the purposes of the network code, the following definitions¹ shall apply:

Term	Formal/legal definition	Source
'allocation'	means xx. <i>Definition formulation in-progress</i>	New in BAL NC (pending intra-ENTSOG approval)
'balancing period'	means the period within which the off-take of an amount of natural gas, expressed in units of energy, must be offset by every network user by means of the injection of the same amount of natural gas into the transmission network in accordance with the transport contract or the network code, as defined in xx of the Gas Regulation.	Regulation 715
'balancing period' (informal)	means a standardised daily interval from 5:00 to 5:00 UTC/GMT or any other time period harmonised across the EU as decided for daily capacity products in the network code on Capacity Allocation Mechanisms, during which the deviations of a network user, as accumulated over the course of the preceding 24 hours, between its inputs into and off-takes from the balancing zone are calculated to be financially settled. [TBC - From Section 4.1 and not Definitions Section of FGs. This text is an extract and not real definition; it's more idea set forth]	BAL FGs
'balancing platform'	means a trading platform on which flexible gas is bought and sold, balancing services are procured and the TSO is party to every trade	BAL FGs
'balancing regime'	means the rules and agreements that apply to portfolio and TSO balancing, including the procurement of flexible gas, balancing services and imbalance charges.	BAL FGs
'balancing services'	means additional services (i.e. additional to the buying and selling of flexible gas) that a TSO may buy in order for the system to remain within safe operational limits, for example the ability to inject / withdraw gas into / from storage.	BAL FGs

¹ Internal ENTSOG note: This set of definitions will be rationalised, i.e., reduced and revised, as the draft legal text of the network code is developed.

'balancing zone'	means an entry-exit system, which may consist of more than one system, as defined in Article 2(13) of the Gas Directive, to which a specific balancing regime is applicable. Distribution systems may be part of the balancing zone. The entries from storage and LNG into the transmission system as well as the exits from the transmission system into the storage are part of the balancing zone.	BAL FGs
'cross-border balancing'	means the exchange or trading of flexible gas between neighbouring balancing zones in order to improve efficiency and facilitate market integration and the arrangements of network users to net their imbalances across two adjacent balancing zones. These balancing zones could be within the same, or in adjacent member states.	BAL FGs
'cross-border balancing zone'	means a balancing zone which consists of (parts of) more than one member state.	BAL FGs
'customer'	means a wholesale or final customer of natural gas or a natural gas undertaking which purchases natural gas, as defined in Article 2(24) of the Gas Directive.	DIRECTIVE 2009/73/EC
'derived imbalance forecast'	means xx. <i>Definition formulation in-progress</i>	New in BAL NC (pending intra-ENTSOG approval)
'distribution system operator (DSO)'	means a natural or legal person who carries out the function of distribution and is responsible for operating, ensuring the maintenance of, and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of gas, as defined in Article 2(6) of the Gas Directive.	DIRECTIVE 2009/73/EC
'eligible customer'	means a customer who is free to purchase gas from the supplier of his choice, as defined in Article 2(25) and as within the meaning of Article 37 of the Gas Directive.	DIRECTIVE 2009/73/EC
'entry point'	means xx. <i>Definition formulation in-progress</i>	New in BAL NC (pending intra-ENTSOG approval)
'exit point'	means xx. <i>Definition formulation in-progress</i>	New in BAL NC (pending intra-ENTSOG approval)

‘flexible gas’	means gas required to meet short term fluctuations in demand by customers. It also contributes to overall system security by responding to unexpected system requirements.	BAL FGs
‘framework guideline’	means the ACER framework guidelines setting out clear and objective principles, in accordance with Article 8(7) of the Regulation for the development of a network code relating to an area set out in Article 8(6) of the Regulation and identified in the priority list of the Commission and upon which the Commission shall request ENTSOG to submit a network code which is in line with such framework guideline. For the purpose of the Network Code on Balancing means the Framework guidelines on gas balancing in transmission systems] dated 18 October 2011.	Specific to BAL NC
‘gas day’	means the period from 5:00 to 5:00 UTC for winter time and from 6:00 to 6:00 UTC when daylight saving is applied.	Draft CAM Network Code (under review by ACER)
‘imbalance’	means the situation in which individual network users’ injections into the balancing zone differ from their off-takes from the balancing zone or in which aggregate inputs to the system differ from aggregate off-takes from the system in a balancing period. This may result in either individual network users and/or the TSO buying or selling gas (or the TSO buying balancing services) in order to offset the imbalance. Inputs into and off-takes from the balancing zone can take the form of either physical gas at a specific point or gas exchanged at a virtual point in the market.	BAL FGs
‘imbalance charge’	means the charge applied by a TSO to network users (or payment received by a network user from the TSO) for financial settlement of a network users’ imbalance in respect of one balancing period.	BAL FGs
‘interconnection point’	means a cross-border interconnection point, whether it is physical or virtual, between two or more member states as well as interconnection between adjacent entry-exit-systems within the same member states, in so far as these points are subject to booking procedures by network users.	Draft CAM Network Code
‘joint balancing platform’	means a balancing platform used by TSOs to procure products relating to more than one balancing zone.	BAL FGs

'linepack'	means the storage of gas by compression in gas transmission and distribution systems, but not including facilities reserved for transmission system operators carrying out their functions, as defined in Article 2(15) of the Gas Directive.	DIRECTIVE 2009/73/EC (cited in BAL FGs)
'liquidity'	means the ability to quickly buy or sell reasonable volumes of gas without causing a significant change in price and without incurring significant transaction costs. A key feature of a liquid market is that it has a large number of buyers and sellers willing to transact at all times. The assessment of market liquidity shall include a consideration of the volumes traded, churn rates and the number of players on the market.	BAL FGs
'LNG facility'	means a terminal which is used for the liquefaction of natural gas or the importation, offloading, and re-gasification of LNG, and includes ancillary services and temporary storage necessary for the re-gasification process and subsequent delivery to the transmission system, but does not include any part of LNG terminals used for storage.	DIRECTIVE 2009/73/EC
'local balancing'	means the actions undertaken by the TSOs addressing imbalances at particular locations within the balancing zone.	BAL FGs
'locational product'	means flexible gas products traded for delivery only at specified locations within the balancing zone.	BAL FGs
'long-term flexible gas products'	mean flexible gas products traded for delivery over more than two days (or three days in the event of a national holiday attached to a weekend) and up to one year, i.e. including weekly, monthly, quarterly and annual durations.	BAL FGs
'marginal buy price'	means a price based on the higher of: - the highest price of any gas balancing trading to which the TSO is a party in respect of the balancing period (excluding locational or temporal products); and - the weighted average price of gas traded in respect of that day. (This price may include a small adjustment to incentivise network users to balance).	BAL FGs
'marginal sell price'	means a price based on the lower of: - the lowest price of any gas balancing trading to which the TSO is a party in respect of the balancing period (excluding locational or temporal products); and - the weighted average price of gas traded in respect of that day. (This price may include a small adjustment to incentivise network users to balance).	BAL FGs

'minimum amount of capacity'	means the minimum amount for a Standard Capacity Product which the network user is willing to be allocated.	Draft CAM Network Code (under review by ACER)
'network code'	means the present network code on gas balancing in transmission systems, formulated by ENTSOG pursuant to Article 8 of the Regulation.	Specific BAL NC
'network user'	means a customer or a potential customer of a transmission system operator, and transmission system operators themselves in so far as it is necessary for them to carry out their functions in relation to transmission, as defined in Article 2(11) of the Gas Regulation.	Regulation 715
'nomination'	means the prior reporting by the network user to the transmission system operator of the actual flow that the network user wishes to inject into or withdraw from the system, as defined in Article 2(7) of the Gas Regulation.	Regulation 715
'portfolio balancing'	means the actions undertaken by network users in order to help ensure that their off-takes from a balancing zone match their inputs onto the same balancing zone over the duration of the relevant balancing period.	BAL FGs
're-nomination'	means the subsequent reporting of a corrected nomination, as defined in Article 2(8) of the Gas Regulation.	Regulation 715
'short-term flexible gas products'	means flexible gas products traded intraday, day-ahead, two days-ahead of gas delivery or for two days over a weekend (or three days in the event of a national holiday attached to the weekend).	BAL FGs
'system'	means any transmission networks, distribution networks, LNG facilities and/or storage facilities owned and/or operated by a natural gas undertaking, including linepack and its facilities supplying ancillary services and those of related undertakings necessary for providing access to transmission, distribution and LNG, as defined in Article of the Gas Regulation.	DIRECTIVE 2009/73/EC
'system user'	means a natural or legal person supplying to, or being supplied by, the system, as defined in Article 2(23) of the Gas Directive.	DIRECTIVE 2009/73/EC
'temporal product'	means flexible gas product traded for delivery during a certain time period within the balancing period.	BAL FGs

'transmission system'	means a high pressure transmission network consisting of terminals, compressor stations, pipeline systems and off-take points. For the purposes of these Framework guidelines, Liquefied Natural Gas (LNG) and storage facilities are not included in the transmission system.	BAL FGs
'transmission system operator (TSO)'	means a natural or legal person who carries out the function of transmission and is responsible for operating, ensuring the maintenance of, and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transport of gas, as defined in the Gas Directive.	DIRECTIVE 2009/73/EC
'TSO balancing'	means the actions undertaken by the TSO to ensure that the system stays within its accepted operational limits. [TBC given use of footnotes in FGs]	BAL FGs
'wholesale market'	Means a physical or virtual point at which network users trade gas with each other either bilaterally, or via an exchange. The TSO can also trade in this market for balancing purposes. A range of products can be traded including: financial/virtual, physical (where the gas is required to be delivered at a certain point) and temporal (where the gas is required to be delivered during a certain time period within the gas day).	BAL FGs
'within-day'	means daily capacity offered and allocated during the relevant gas day, or within the relevant period preceding the relevant gas day.	Draft CAM Network Code (under review by ACER)