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**OPINION OF THE AGENCY FOR THE COOPERATION OF ENERGY  
REGULATORS No 03/2013**

**of 12 February 2013**

**ON ENTSOG'S ANNUAL WINTER SUPPLY OUTLOOK 2012/13**

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators<sup>1</sup> (hereinafter referred to as "the Agency"), and, in particular, Article 6(3)(b) thereof;

HAVING REGARD to Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005<sup>2</sup>, and, in particular, Article 9(2) thereof;

HAVING REGARD to the favourable opinion of the Board of Regulators of 25 January 2013, delivered pursuant to Article 15(1) of Regulation (EC) No 713/2009,

WHEREAS:

- (1) The European Network of Transmission System Operators for Gas (hereinafter referred to as "ENTSOG") has developed, adopted and published on 8 November 2012 the Winter Supply Outlook 2012-2013 pursuant to Article 8(3)(f) of Regulation (EC) No 715/2009.
- (2) Pursuant to Article 6(3)(b) of Regulation (EC) No 713/2009 and Article 9(2), first subparagraph, of Regulation (EC) No 715/2009, the Agency shall provide an opinion to ENTSOG on, inter alia, relevant documents referred to in Article 8(3) of Regulation (EC) No 715/2009, as submitted to the Agency pursuant to Article 9(2), first subparagraph, of Regulation (EC) No 715/2009.
- (3) ENTSOG's 2012 Annual Work Programme foresees work and deliverables as described in Article 8 of Regulation (EC) No 715/2009, including the development of annual summer and winter supply outlooks,

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<sup>1</sup> OJ L211, 14.8.2009, p.1.

<sup>2</sup> OJ L211, 14.8.2009, p.36.


HAS ADOPTED the present Opinion on ENTSOG's Winter Supply Outlook 2012/13 with the following comments and guidance:

1. Pursuant to Article 8(3)(f) of Regulation (EC) No 715/2009, ENTSOG should adopt "annual summer and winter supply outlooks". ENTSOG has adopted and published the most recent Winter Supply Outlook 2012/13 on 8 November 2012. The Agency welcomes the production of the Winter Supply Outlook 2012/13 and expects any future winter and summer supply outlooks developed by ENTSOG to be submitted to the Agency in compliance with Article 9(2), first subparagraph, of Regulation (EC) No 715/2009.
2. The Agency expresses its appreciation of ENTSOG's consideration of additional High Daily Demand (two-week period and disruption case) defined by Member States through the Gas Coordination Group. The Agency believes that the additional cases are necessary to reflect such real-world cases as the February 2012 cold spell or the January 2009 Russian gas supply disruption through Ukraine. The Agency finds it appropriate that, for the assessment of the above-mentioned conditions, the modelling of the Russia/Ukraine disruption during the two-week High Daily Demand period (with 5% annual probability) was also provided.
3. The Agency welcomes ENTSOG's decision to encompass an enlarged geographical scope covering the EU-27 (minus Cyprus and Malta) plus Croatia, Serbia, the Former Yugoslav Republic of Macedonia, and exports to Turkey and the Kaliningrad Region of the Russian Federation. It would also be interesting to consider the inclusion of Ukraine in its capacity as one of the Energy Community's Contracting Parties, which entails a substantial number of challenges for this country (e.g., as a result of changes in gas flow patterns from Russia) and as a consequence also for Eastern EU countries.
4. Regarding the timing for the production and publication of the Winter Supply Outlook 2012/13, the Agency welcomes the Outlook's earlier publication this year, since a timely Outlook provides a more useful perspective on supply and demand trends during the forthcoming winter season, as well as potential "warnings" in case specific events are triggered.
5. The Agency welcomes ENTSOG's work regarding the refinement and application of an adequate methodology and tools, which are the same as those developed for the on-going TYNDP process, a practice which provides consistency to the process and facilitates a comprehensive assessment.
6. The Agency suggests, at the same time, that ENTSOG give greater attention to the analysis of supply and transmission trends on a comparative basis to past Outlooks and actual gas flow features, and expects such analysis as guidance regarding the handling of potentially problematic short-term variations in supply.

7. With regard to the heterogeneity of supply sources and daily supply levels, the Agency acknowledges the usefulness of the analysis and asks ENTSOG to consider providing specific examples and recommendations to deal with potential restrictions hindering the adequacy of flexible supplies in the presence of abnormal seasonal or daily patterns of demand at a regional level.
8. The Agency appreciates ENTSOG's commitment to strongly involve stakeholders in the development of required products and in all other activities necessary for the implementation of the Internal Gas Market, and encourages ENTSOG to strive further for stakeholder involvement by different channels and taking a variety of measures, including requesting views and specific information necessary to provide high value assessments and outputs.
9. The Agency appreciates the supplementary Winter 2011/12 Review discussing the winter cold spell of early February 2012 and providing detailed insights in how supply was managed by the gas industry after a relatively mild early winter season. The Agency finds expedient the insights regarding the usefulness of high underground storage level, which helped compensate reduced Russian supplies and ensured that flexibility remained at acceptable levels even in the presence of large short-run supply reductions on certain international routes. The Agency appreciates the highlights on the link between electricity and gas markets, which became most evident during the cold spell, as well as the fact that the lessons learned are already applied by ENTSOG in its current Outlook, providing scenario analysis of a hypothetical combined two-week cold spell and a Russia/Ukraine supply disruption. At the same time, the Agency invites ENTSOG to incorporate supply-side analyses directly in its Outlook, strive for a better balance between system status and capability analyses, on one hand, and patterns of supply, on the other, and start providing intra-seasonal comparisons and supply trend analyses.

Done at Ljubljana on 12 February 2013.

For the Agency:

  
Alberto Pototschnig  
Director



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