



Draft Framework Guidelines on Interoperability Rules and Data Exchange for the European Gas Transmission Networks

Enagás response

16 May 2012



General comments

Enagás welcomes ACER's initiative and its invitation to answer the questionnaire on Draft Framework Guidelines on Interoperability Rules and Data Exchange for the European Gas Transmission Networks.

Enagás is a basic infrastructure operator in Spain (transmission, regasification and underground gas storages).

Although Enagás has participated in the development of ENTSOG's answer to this questionnaire and, in general terms we support ENTSOG's response, Enagás would like to add some clarifications with regards to odourisation.

Odourisation

5.1. Please provide your assessment on the present proposal. Would the measure proposed address sufficiently the issues that are at stake? Please reason your answer.

Enagás views odourisation as a sub-issue of gas quality; then, if odourisation is to be tackled, gas quality and odourisation should not be separated. Therefore, the odourisation shall not be subject to additional requirements other than the established in gas quality specifications.

NRAs would need to judge which IPs require a solution and should then explore options together with the TSOs and the relevant Member State Authorities. The final decision shall be accompanied by an adequate cost allocation and recovery mechanism.

For the time being, non-odorised gas by default at European level is not feasible because there are still Member States that odourise natural gas in the transmission grid. In these Member States:

- Natural gas is odorised in transmission due to safety reasons in the majority of cases. This is a national decision in which different Member State Authorities are involved.
- Even if natural gas stopped being odorised in transmission, for many years when gas was withdrawn from the underground gas storages in these Member States, it would still bring a trace component odorant (i.e. deodorisation would be required for exporting).
- There is huge uncertainty related to both the CAPEX and OPEX of the deodorisation facilities and the cost of the changed of the odourisation practises. If deodorisation was required, it would be necessary to carry out a cost benefit analysis, in particular to determine which end

users would be affected and where would it be more effective to deodorise the gas.

- If a default rule at European level is established, cross-border trade between countries which currently exchange odourised gas will be hampered.

Currently, there is not an acceptable technology to deodorise the gas at cross-border interconnection points. Therefore, the default rule shall not be approved while there is not any evidence of it.

- Enagás' proposal for the section 5 (odorisation) of the Framework Guideline:

At Interconnection Points with different odorisation rules, NRAs together with the respective TSOs shall cooperate and find the best solution exploring the different alternatives, in order not to hamper the physical cross-border flows. In the case that an agreement is reached, the relevant Member State Authorities shall be consulted. The final decision shall be accompanied by an adequate cost allocation and recovery mechanism.

If an agreement cannot be reached, the Agency shall take part on the discussions helping to develop the necessary measures, as defined in the Agency's Regulation.