

ExxonMobil International Limited
MP 42, ExxonMobil House
Ermyn Way
Leatherhead
Surrey KT22 8UX

ExxonMobil
Gas & Power
Marketing

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AGENCY FOR THE COOPERATION
OF ENERGY REGULATORS
FG-2012-G-007@acer.europa.eu

Subject: Consultation concerning “Draft Framework Guidelines on Interoperability and Data Exchange Rules for European Gas Transmission Networks”

Dear Sir/Madam,

ExxonMobil is a longstanding participant in the European natural gas business involved across the supply value chain including upstream production, storage and processing, LNG receiving terminals and marketing. As such we welcome the opportunity to respond to ACER’s consultation on the “*Draft Framework Guidelines on Interoperability and Data Exchange Rules for European Gas Transmission Networks*”. ExxonMobil International Limited is responding to this consultation on behalf of its affiliated companies operating within the European gas market¹.

ExxonMobil supports the overall aim of interoperability as included in the draft Framework Guidelines (“FG”): “*to ensure that users of two or more transmission systems operated by separate entities in Europe do not face technical, operational, communications or business-related barriers higher than those that would have been reasonably expected, if the relevant networks had been efficiently operated by a single entity*”. Since we are a user of transmission systems in several EU Member States, we experience the interaction with different systems and welcome increased harmonisation.

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Registered in England
Number: 3834848
Registered Office:
ExxonMobil House, Ermyn Way
Leatherhead, Surrey KT22 8UX

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Answers to specific questions:

1. Scope and application, implementation (Chapter 1 of the FG)

- 1.1. Do you consider that the FG on interoperability and data exchange rules should harmonise these rules at EU level, as follows:
- At interconnection points only?
 - Including interconnection points and where appropriate points connecting TSOs' systems to the ones of DSOs, SSOs and LSOs (to the extent cross-border trade is involved or market integration is at stake)?
 - Other option? Please explain in detail and reason.
 - I don't know.

ExxonMobil believes the FG should seek to improve operability of gas transmission systems across Europe such that consumers and suppliers of natural gas with activities in two or more transmission systems do not face any barriers higher than when the relevant networks had been efficiently operated by a single entity. For this reason the scope of the FG should include – where relevant – all points connected to TSO systems.

- 1.2. Do you consider that for any of the above options the level of harmonisation shall be (Section 1.b of the FG):
- Full harmonisation: the same measure applies across the EU borders, defined in the network code?
 - Harmonisation with built-in contingency: same principles/criteria are set with a possibility to deviate under justified circumstances?
 - No additional harmonisation, meaning rules are set at national level, if they deemed necessary by the national authorities, which may include either NRAs or the government?

See response to question 1.3.

- 1.3. Shall any of the issues raised in the FG (Interconnection Agreement, Harmonisation of units, Gas Quality, Odourisation, Data exchange, Capacity calculation) get a different scope from the general scope as proposed in section 1.b. of the FG (and as addressed in the previous question)? Please answer by filling in the following table, ticking the box corresponding to the relevant foreseen scope.

	IAs	Units	Gas Quality	Odourisation	Data Exchange	Capacity Calculation
Full harmonisation		X			X	
Partial harmonisation	X		X	X		X
Business as usual						

1.4. What additional measures could you envisage to improve the implementation of the network code? Please reason your answer.

As a possible addition we suggest harmonising the conditions for access to TSO systems. Currently different procedures apply in EU Member States and often some form of prior registration by NRAs or TSOs is required. As a step towards a single EU gas market, a network user in one country should have access to TSOs' systems in other Member States without additional registration or licensing requirements.

2. Interconnection Agreements

2.1. Do you think that a common template and a standard Interconnection Agreement will efficiently solve the interoperability problems regarding Interconnection Agreements and/or improve their development and implementation?

a. Yes.

b. No.

c. I don't know.

d. Would you propose additional measures as to those proposed? Please reason your answer.

e. Would you propose different measures as to those proposed? Please reason your answer.

We support option 'a' where the Network Code provides a common template and a standard Interconnection Agreement, to be used as a default agreement. This should allow flexibility to the parties to an Interconnection Agreement to deal with specific circumstances by mutual agreement.

2.2. Do you think that a dispute settlement procedure as laid down in the text will efficiently contribute to solving the interoperability problems of network users regarding Interconnection Agreements and their content?

a. Yes.

b. No.

c. I don't know.

d. Would you propose additional measures as to those proposed? Please reason your answer.

e. Would you propose different measures as to those proposed? Please reason your answer.

The proposed dispute settlement procedure may be sufficient to solve interoperability problems between TSOs regarding Interconnection Agreements. In addition, for interoperability problems concerning network users' systems connected to the TSO system as result of an Interconnection Agreement, network users should always have the option to refer any dispute regarding an Interconnection Agreement to the competent court for resolution.

2.3. Do you think that a stronger NRA involvement in the approval of the Interconnection Agreements could be beneficial? Please explain in detail and reason.

- a. Yes.*
- b. No.*
- c. I don't know.*

We believe Interconnection Agreements should be approved by the concerned NRAs, taking into account the views expressed by stakeholders in public consultation. NRAs should publish their decision and the Interconnection Agreement to ensure full transparency of the arrangements.

3. Harmonisation of Units

3.1. Do you think that there is a need for harmonisation of units?

- a. Yes.*
- b. No, conversion is sufficient in all cases.*
- c. I don't know.*
- d. Would you propose additional measures as to those proposed? Please reason your answer.*
- e. Would you propose different measures as to those proposed? Please reason your answer.*

We believe there is a benefit associated with harmonisation of units, in particular in the communication between TSOs and network users. In addition to the measures proposed we suggest that where TSOs publish current rates and prices, these are published in local currency and – for information – in Euro/MWh.

3.2. What is the value added of harmonising units for energy, pressure, volume and gross calorific value?

- a. Easier technical communication among TSOs.*
- b. Easier commercial communication between TSOs and network users.*
- c. Both.*
- d. No value added.*
- e. I don't know.*
- f. Other views. Please reason your answer.*

We support option 'b' and expect that option 'a' also applies. In addition to easier communication, harmonisation of units has the benefit of facilitating standard products. Cross border trade of gas can be facilitated when standard products are used instead of kWhs in one country versus cubic metres or therms in another country.

3.3. Shall harmonisation be extended to other units? Please reason your answer.

See response to question 3.1.

4. Gas Quality

4.1. Please provide your assessment on the present proposal; in particular assess the provisions on ENTSOG gas quality monitoring, dispute settlement and TSO cooperation. Would these measures address sufficiently the issues that are at stake? Please reason your answer.

We support the present proposal in the FG, taking into account that other processes have been launched already to address gas quality harmonisation issues.

4.2. Do you consider that a technically viable solution to gas quality issues that is financially reasonable will most likely result from:

- a. Bilateral solution between concerned stakeholders.*
- b. Solutions to be developed cross-border by TSOs, to be approved by NRAs and cost-sharing mechanism to be established.*
- c. The establishment of a general measure in the Framework Guidelines, setting a comprehensive list of technical solutions to select from.*
- d. I don't know.*
- e. Other option. Please reason your answer.*

We support option 'a'. As an example we refer to the solution implemented by GTS to address quality differences between L-gas and H-gas in the Netherlands.

5. 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.

No comments.

6. Data exchange

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

We support a common standardised messaging protocol. This would only make sense when applied to all areas where TSOs exchange data with counterparties, not just with respect to data related to interconnection points.

6.2. Regarding the content of this chapter,

- a. Data exchange shall be limited to the communication format.*
- b. Data exchange shall define both format and content, at least regarding the following points: _____ . Please reason your answer.*
- c. I don't know.*
- d. Other option. Please reason your answer.*

We support option 'd'. In many EU Member States Edigas is used as a common messaging standard. The FG should require TSOs to apply a common standardised messaging system,

taking into account the work already done by Edigas. However, defining a common format and common content of such messages should not be part of the Network Code. It is not realistic to expect ENTSOG to select or establish a messaging standard within the 12 months period for developing the network code. Also because of the network code change procedure it would be best to specify the messaging standard outside the network code. The FG should address the procedure for defining the data exchange format and content by ENTSOG in close cooperation with system users.

6.3. ENTSOG may support the exchange of data with a handbook of voluntary rules. Please share your views about such a solution.

We support ENTSOG to develop a handbook of data exchange rules in close cooperation with system users. The FG should establish a basis for such a handbook as well as the procedure for defining the rules (see response to question 6.2). The handbook may be described as ‘voluntary’ because its content has not been adopted in accordance with Article 6 of the Gas Regulation, nevertheless it should be binding for system users who want to communicate with TSOs.

7. Capacity calculation – The Agency view is that discrepancy between the maximum capacities on either side of an interconnection point, as well as any unused potential to maximise capacity offered may cause barriers to trade.

7.1. Please provide your assessment on the present proposal. Would the measures proposed address the issues that are at stake?

We believe differences between the maximum capacities on either side of an interconnection point will not be eliminated by applying the same capacity calculation methodology because of capacity restrictions upstream or downstream of the interconnection point. Resolving discrepancies should not be a priority, save in the case of physical congestion.

We would support including in the FG a common approach to the technical information published by TSOs in accordance with paragraph 3.3 of Annex I to the Gas Regulation. This should include a common approach to baseline capacity (technical capacity offered on the basis of Article 16(1) of the Gas Regulation), additional capacity (firm capacity offered on the basis of paragraph 2.2 of Annex I to the Gas Regulation) and interruptible capacity.

7.2. Would you propose additional measures as to those proposed? Please reason your answer.

No.

7.3. Would you propose different measures as to those proposed? Please reason your answer.

No.

8. Cross-border cooperation

8.1. Please provide your assessment on the present proposal.

The present proposal is in line with the general mandate for cross-border cooperation of TSOs as laid down in Articles 8 and 12 of the Gas Regulation. Under Article 8(8), ENTSOG is required to regularly monitor and review the implementation of the network codes, and report its findings to the Agency. ENTSOG may elaborate network codes on its own initiative in accordance with Article 8(2) and may propose amendments to any network code in accordance with Article 7. We would support that ENTSOG includes in the regular review opportunities to further integrate European gas markets.

8.2. Do you have any other suggestions concerning cross-border cooperation? Please reason your answer.

No comments.

9. Please share below any further comments concerning the Framework Guideline on Interoperability and Data Exchange Rules.

No comments.

Please do not hesitate to contact me at kees.bouwens@exxonmobil.com or alternatively by phone +31 76 529 2228 in case you wish to further discuss any of the matters mentioned in this response.

Kind regards,



Kees Bouwens

Advisor, Europe Regulatory

For and on behalf of ExxonMobil International Limited