

February 9th 2015

IOGP response to ACER Public Consultation on the Oil & Gas UK proposal to amend the Gas Network Codes CAM and BAL in order to retain the UK Gas Day

IOGP welcomes the opportunity given by ACER to respond to the abovementioned consultation.

1. Respondent's name & contact details, name & type of organisation or stakeholder.

Company name:	IOGP
Type of organisation:	International Association of Oil & Gas Producers
	
	
	

2. Please provide a short description of your interest, motivation & role in this amendment proposal.

IOGP represents the interests of oil and gas producers and Oil & Gas UK is one of its members. IOGP has been actively involved in the development of the network codes for gas and, in general, we support the role that EU network codes have in removing barriers to cross-border trade and creating an internal market for natural gas.

3. Do you support, oppose, or have a neutral position towards the proposed amendment being further considered by ACER? Please specify the main reasons why you think ACER should or should not pursue this amendment request.

IOGP shares the concerns raised by Oil & Gas UK that changes to the UK Gas Day, when applied to the UK upstream may for some operators cause material costs. This effect was neither intended with the network codes on CAM and Balancing (as evidenced by the respective impact assessments).

Network codes apply to transmission system operators and not to (operators of) upstream pipelines and it should be feasible to develop a solution to change the UK downstream gas day without enforcing this change also on the upstream pipelines/producers and without detrimental effects on gas trade and market liquidity. Such a solution should be offered by the transmission system operator(s) to the (operators of) upstream pipelines when implementing the network codes.

IOGP see merits in harmonization of the Gas Day, including the UK downstream gas day. However, IOGP believes that a proper cost/benefit analysis would be well placed before making changes to the UK downstream and/or upstream gas day and hence ACER should pursue the proposed amendment request. Alternatively, ACER could give guidance that the network codes do not require upstream pipelines to apply the harmonized Gas Day and that the TSOs should facilitate this without imposing additional costs to upstream pipelines.