



Public Consultation on the methodology for implementation monitoring and evaluation of the impact of the gas Network Codes and Guidelines on the internal gas market

Fields marked with * are mandatory.

Introduction

From 12 June 2015 to 10 July 2015 the Agency for the Cooperation of Energy Regulators ('ACER', 'the Agency') is running a public consultation on the future methodology for implementation monitoring and evaluation of the impact of the gas network codes and guidelines on the internal gas market.

Article 9 of Regulation (EC) No 715/2009 lays down rules for the Agency to monitor and analyse the implementation of the network codes and the Guidelines adopted by the European Commission. Under the article the Agency is responsible for assessing the effects of the codes in facilitating market integration, as well as on non-discrimination, effective competition and the efficient functioning of the market.

Based on Article 10 of Regulation (EC) No 713/2009 the Agency presents for public consultation the consultancy study from Cambridge Economic Policy Associates (CEPA), commissioned by the Agency, which proposes a methodology to be used for implementation monitoring and evaluation of the impact of the gas network codes and guidelines on the internal gas market.

In order to test and improve the outcome of the study the Agency invites stakeholders to share their views on this work, in particular on the proposed indicators. Well founded comments which will lead to improvements of the report outcome in particular the proposed indicators will be taken into account by CEPA in its final compilation of the study.

The Agency invites stakeholders to reply to the following questions.

Contact details

*1 Family name, first name

*2 Email

3 Name of organisation

*4 Area of activity

- Shipper or energy trading entity
- Interconnector
- Storage
- LNG
- Distribution
- Producer
- End-user
- Transmission system
- Other

Consultancy Study

6 Do you consider the methodology well founded? If not, what should be improved? (Chapters 1-4)

7 Do you consider the **network code indicators** fit for purpose? (Please describe for which set of indicators you provide comments.) (Chapters 5,7)

- The proposed sets of indicators are **complete**
- The proposed sets of indicators are **incomplete** (please suggest indicators to be added)
- The proposed sets of indicators are **overcomplete** (please suggest indicators to be removed)

10 Please add any comments and suggest indicators to be removed

The following proposed indicators should be adjusted:

- a) CMP.2: Utilization of contracted capacity at IPs per shipper
- b) CMP.3: Aggregate utilization of contracted capacity at IPs (flows/booked capacity)
- c) BAL.2 TSO share of total balancing
- d) BAL.3: Physical line pack day-on-day changes
- a) BAL.4 Balancing net neutrality analysis (or significantly extend the scope of the indicator)

11 Do you consider the **high-level policy goal indicators** fit for purpose? (Please describe for which set of indicators you provide comments.) (Chapters 6,7)

- The proposed sets of indicators are **complete**
- The proposed sets of indicators are **incomplete** (please suggest indicators to be added)
- The proposed sets of indicators are **overcomplete** (please suggest indicators to be removed)

14 Please add any comments and indicators to be removed

- a) MF. 3 Potential net welfare gains from unused physical capacity
- b) MF.4 Potential welfare loss from apparently inefficient flows at each IP

15 Do you agree with the performance evaluation of the indicators? If not, please suggest an alternative evaluation. (Chapter7)

The proposed units/data used of following indicators should be adjusted:

- a) CMP.2 Utilization of contracted capacity at IPs per shipper - nominations should be compared with booked capacity
- b) CMP.3 Aggregate utilization of contracted capacity at IPs (flows/booked capacity) - nominations should be compared with booked capacity
- c) BAL.2 TSO share of total balancing - change of definition of "balancing trades"
- d) BAL.3 Physical line pack day-on-day changes - use of portfolio data

16 Do you consider the data sources proposed by the consultancy study adequate? If not, please suggest alternative data sources. (Chapter7)

In general yes. Regarding the BAL NC indicators certain caution when assessing the TSO balancing data collected via REMIT. There is no guarantee for completeness of the data for the declared purpose and the data could include TSO trades that do not serve a balancing purpose. We believe that these data should be collected directly from TSOs.

17 Do you find the proposed implementation timelines of the methodology feasible? If not, please suggest how it can be improved. (Chapter 8)

In certain extent it seems that the implementation timelines are ambitious considering the state of implementation/development or monitored/evaluated network codes/guidelines.

18 Do you consider the description of the indicators in the Annex clear and the execution of the indicators easy to understand? If not, please suggest how it can be improved. (Annex A)

Recommendation for the adjustment of the used parameters for the comparison of following indicators:

- a) CMP.1 Additional capacity volumes made available through each CMP - granularity level does not fit for the measured additional capacity made available for all product runtimes
- b) CMP.2 Utilization of contracted capacity at IPs per shipper - nominations shall be taken
- c) CMP.3 Aggregate utilization of contracted capacity at IPs (flows/booked capacity) - nominations shall be taken

Recommendation to use different data of following indicators:

- d) BAL.2 TSO share of total balancing - not all reported trades are solely for balancing purposes
- e) BAL.3 Physical line pack day-on-day changes - impact of portfolio status of network users and other technical parameters of the system
- f) BAL.4 Balancing net neutrality analysis - unclear description

19 Overall, do you consider that the methodology would be suitable to meet the objectives of Article 9 of Regulation (EC) No 715/2009?

20 Are there any other views you would like to share with ACER in this context?

Background Documents

CEPA study (/eusurvey/files/4f0fdd27-3241-4363-bbe3-31a256747f1e)

Contact

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