


ACER

 Agency for the Cooperation
of Energy Regulators

ACER Monitoring Report on the Implementation of the Gas Balancing Network Code (2018 edition)

Preliminary results

**ACER South South-East Gas Regional Initiative
Stakeholder Group meeting (SSE GRI, 24th SG)**

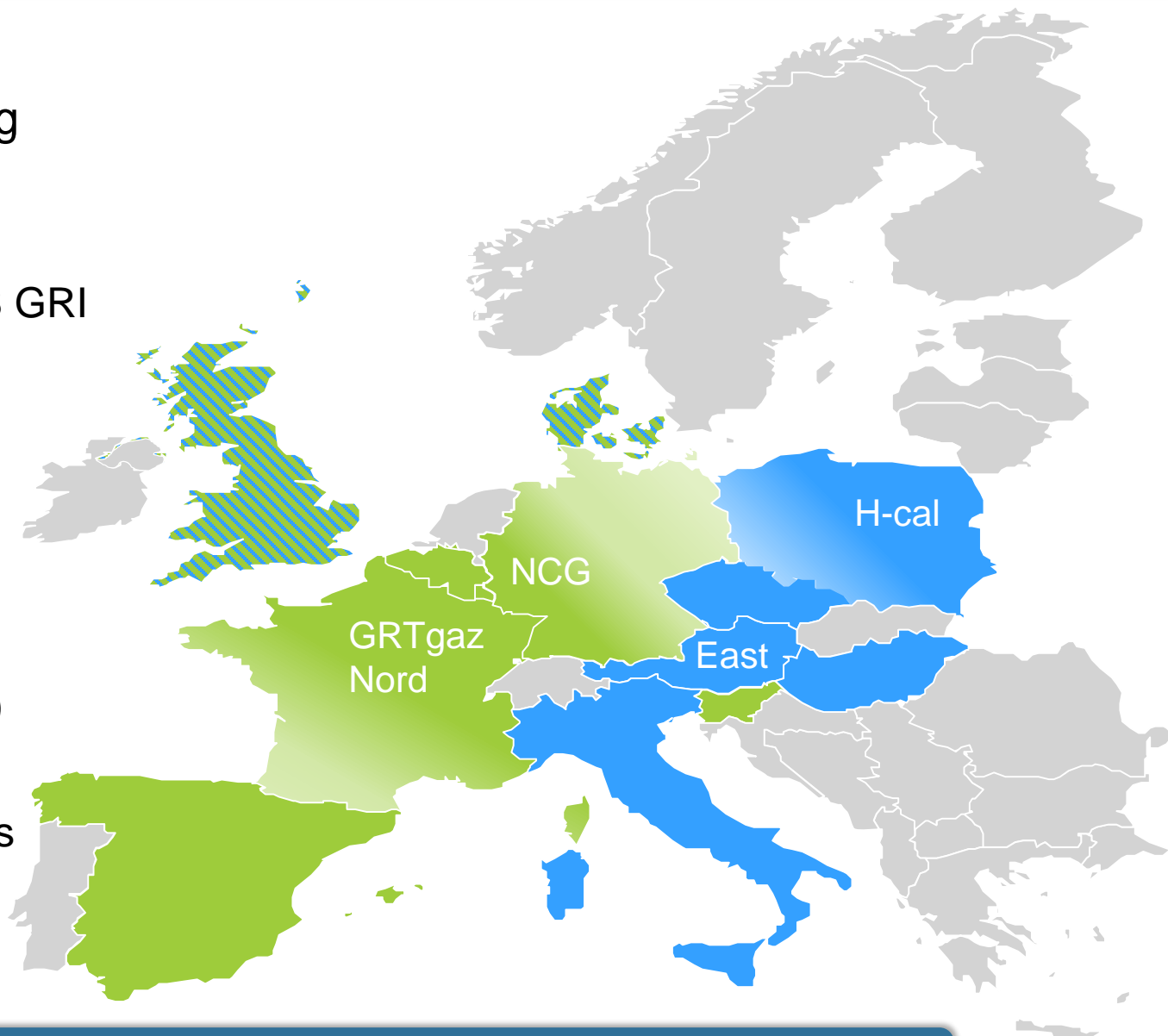
Prague, 7 June 2018

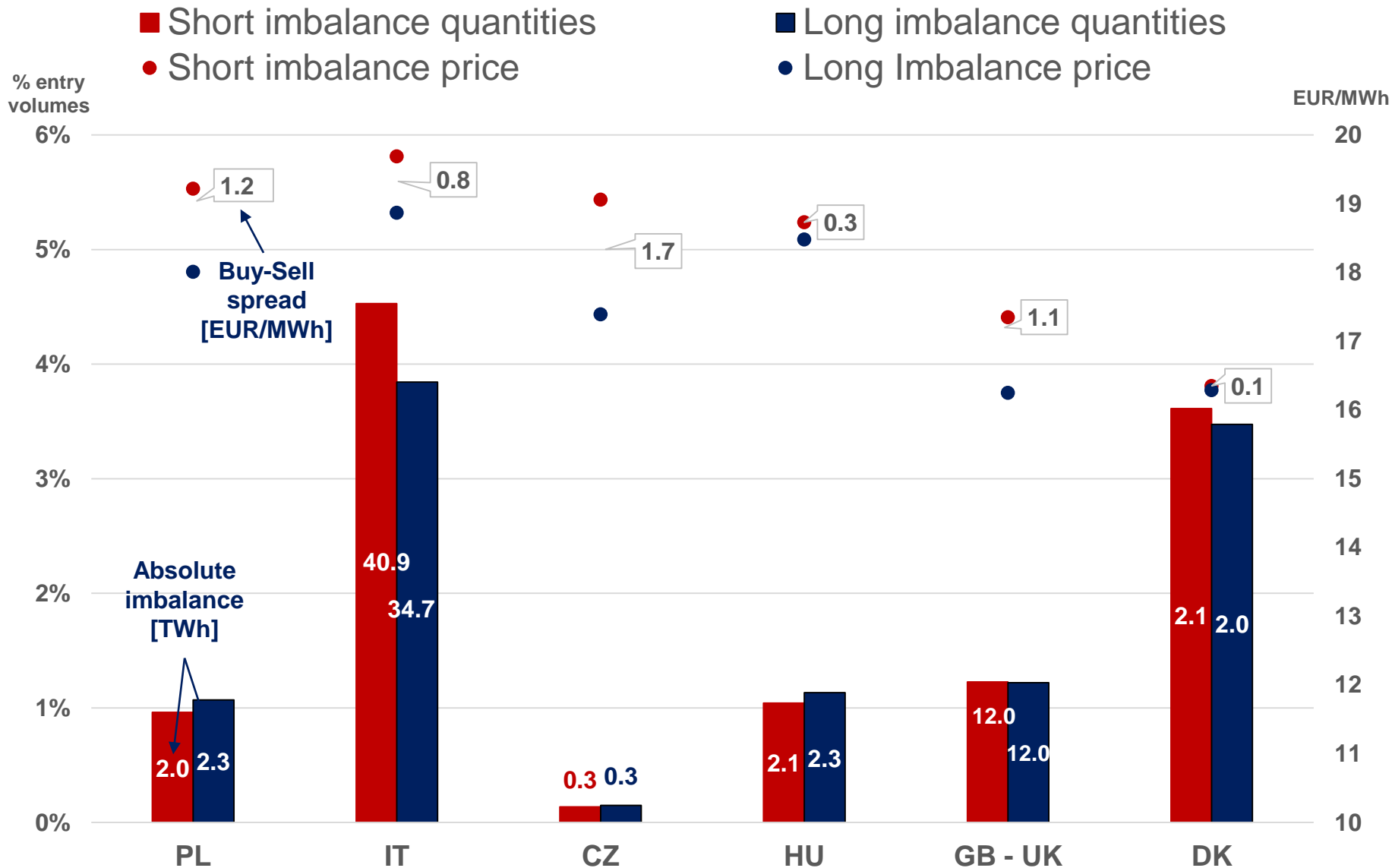
All results shown are provisional and may be reviewed before the publication of the ACER Gas Balancing Implementation Report (2018).

The views expressed belong to the authors and do not represent the official view of the Agency, except for those that have been published already by the Agency.

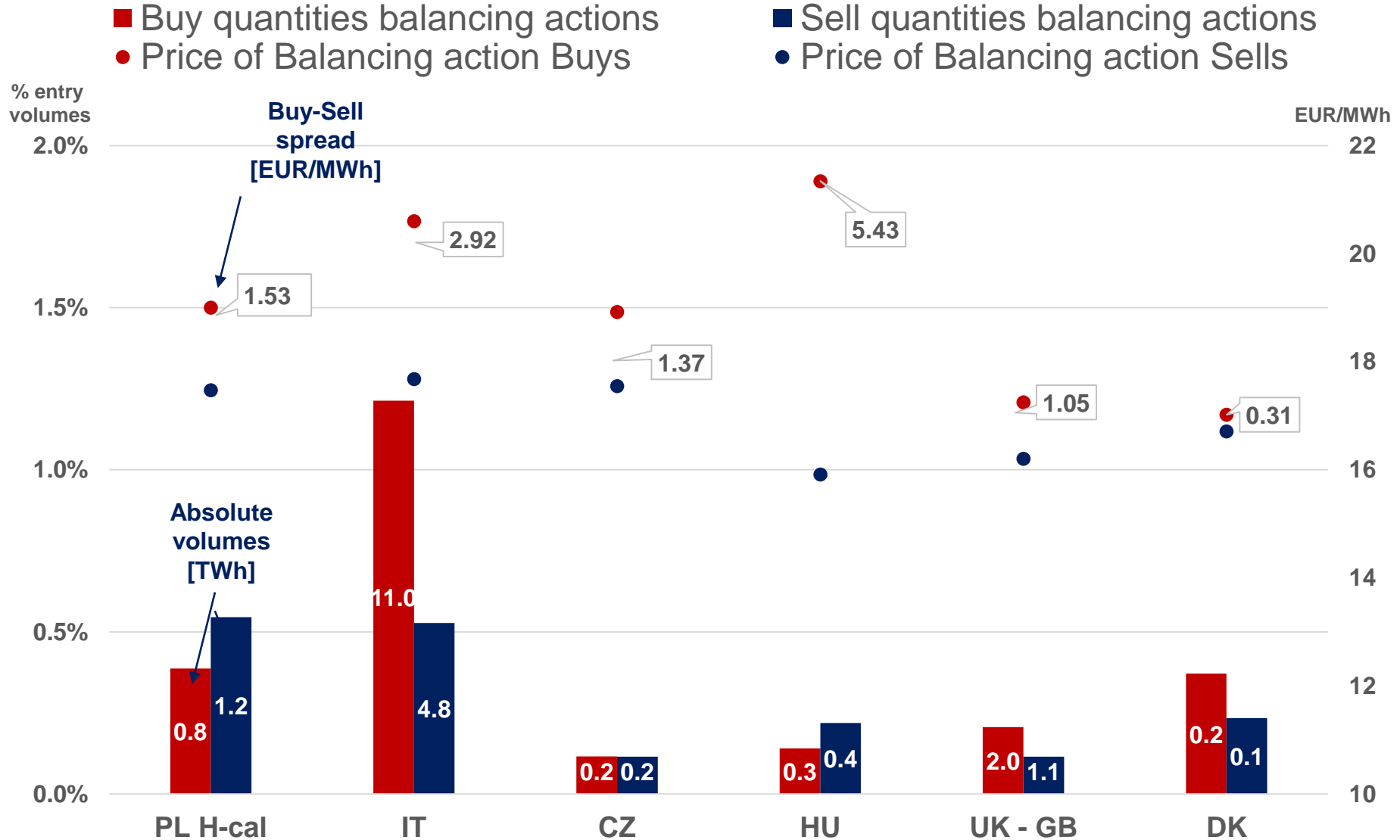
In **GY 15/16** and **GY 16/17**, twelve balancing zones covered:

- **GY 15/16**: NWE and S GRI
- **GY 16/17**: SSE GRI
- 2 transitory regimes covered
- 3 Within-day regimes (WDOs)
- 2 zones with Linepack flexibility service (LFS)
- 1 zone with tolerances
- 2 zones with incentives





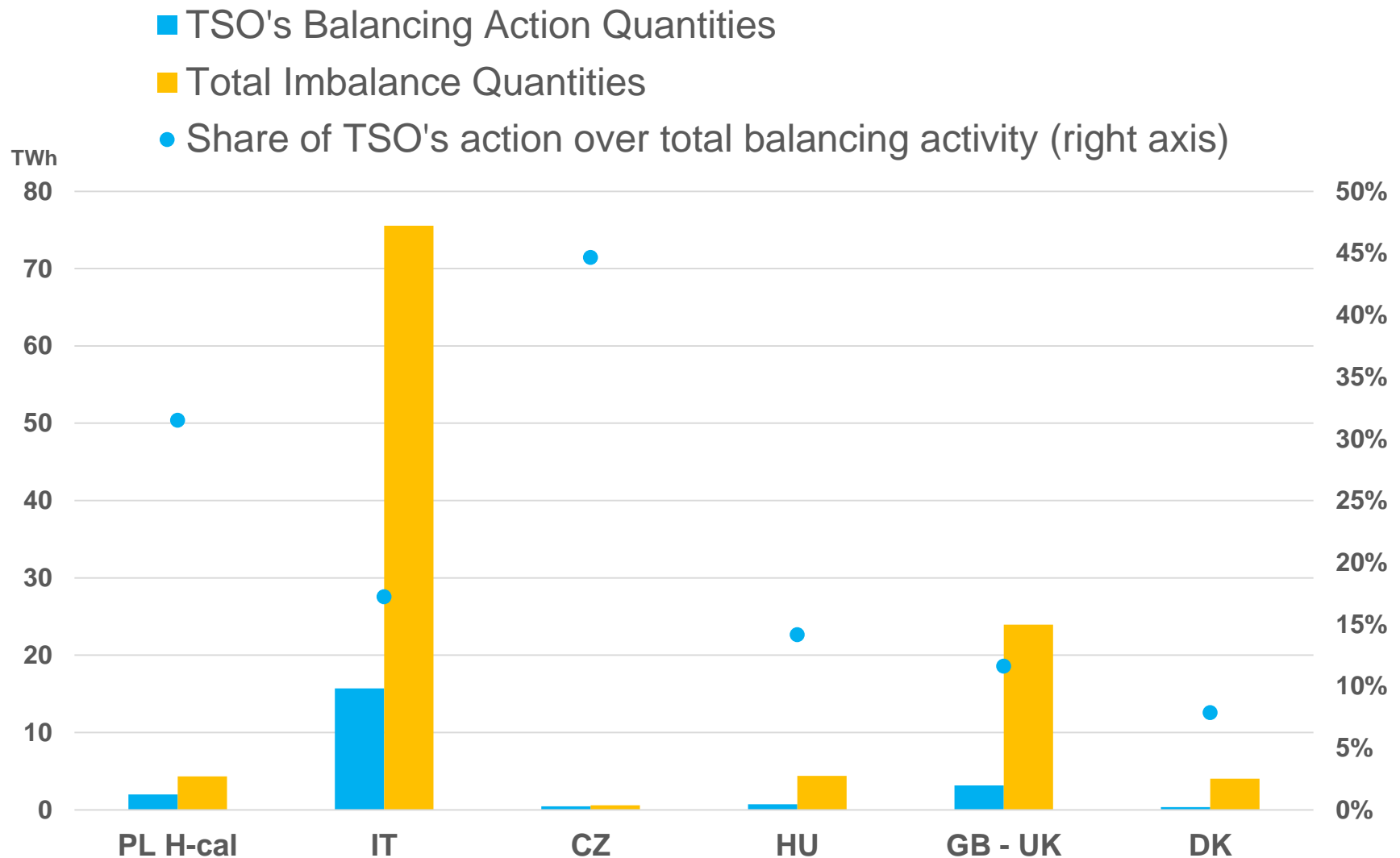
- » Low imbalances in **PL, HU, GB** (<2% of entry volumes)
 - **PL: 28%** of imbalances within tolerances, shielded from marginal prices (sell: **15.8 EUR/MWh**, buy **20.9 EUR/MWh**)
- » Very low in **CZ** (<0.5%), yet
 - Linepack flexibility service and
 - Unused flexibility marketshield additional imbalances accounting for **3.4%** of entry volumes
- » Higher levels in **IT** (>8%) and **DK** (>7%)
 - Possible reasons: information provision on NDM, not counterbalanced by other design elements?
- » Rather symmetric imbalances, with seasonality



- » Rather limited (<**0.5%** of entry volumes) activity in relative terms for all zones
 - **IT** is the exception (> **1.5%**)
 - **IT** also has TSO's balancing-related storage activity (equal to additional **1.5%** of entry volumes)

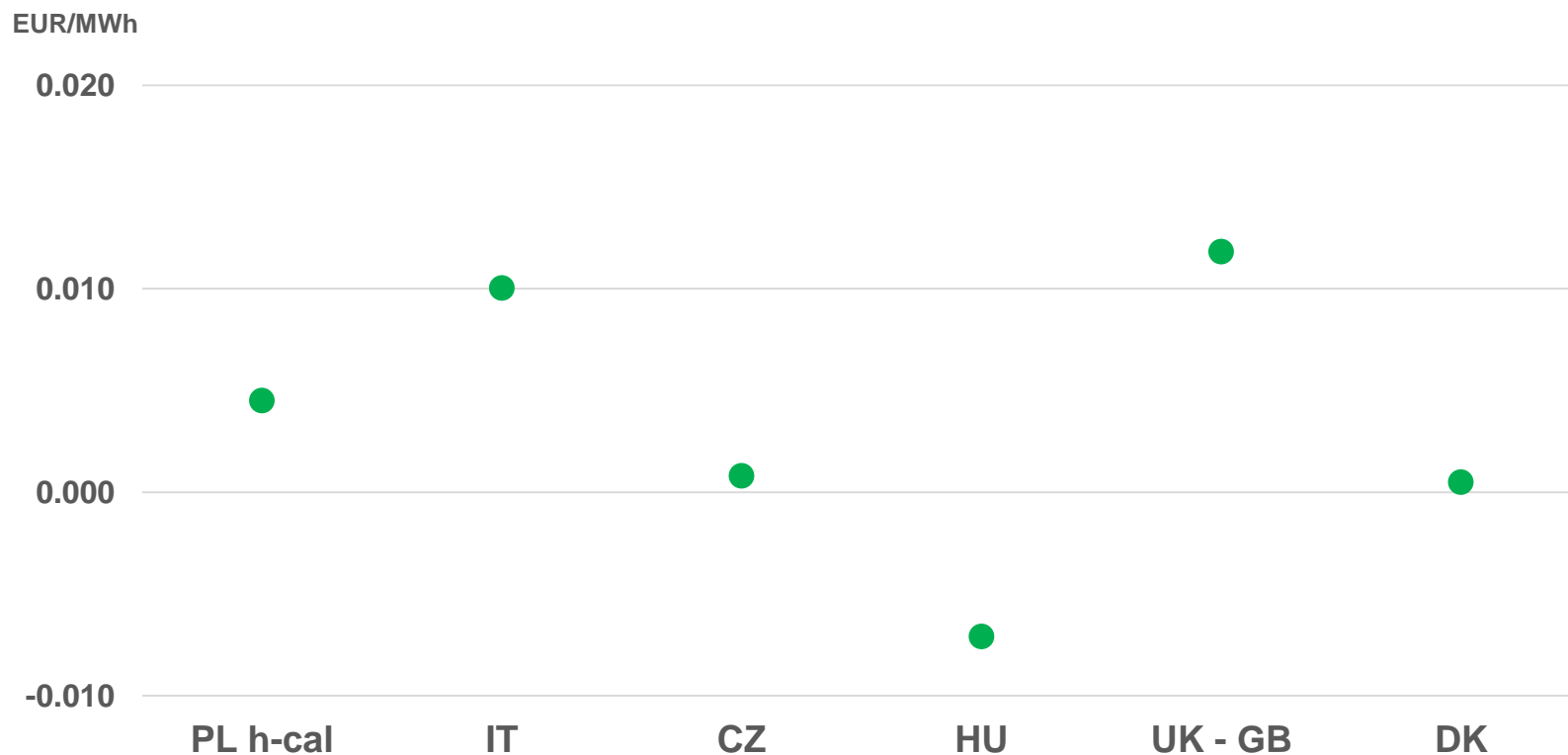
- » Relative asymmetry of TSOs' balancing actions quantity (Buy nearly **doubles** Sell) for **UK, DK, IT**
 - The opposite for **HU**

- » Average price spreads are limited (< **2 EUR/MWh**)
 - except **HU** (> **5 EUR/MWh**)
 - and **IT** (>**2.5 EUR/MWh**)



The combined effect of NUs and TSOs' activity can be caught by the **neutrality** indicator

Net adjusted financial neutrality per unit of market volume (EUR/MWh, GY 16/17)



- » **TSO's balancing action policy**, as a response to:
 - physical requirements
 - market needs → balancing task shifted to NUs (who must be provided with adequate information)

- » **Enabling NUs' independent balancing**
 - Info on NDM offtakes is a critical success element
 - Report on forecast accuracy (BAL NC, 42.3) to be delivered and followed up

- » **Data quality and transparency**
 - Towards NUs → key for NUs' own balancing
 - Towards ACER and ENTSOG → key for monitoring

» Full daily cash out

- Tolerances and LFS provide effective shield
 - Need to be calibrated on goodness of information provision
 - May affect market liquidity
 - Phase out, if foreseen, has to be gradual

» Balancing platforms (BPs)

- Ending by 4/19, or 4/24 if needed
 - Interim measure reports to explain the need to keep BPs
- Transparency on TSO's intervention policy is essential, if retained


» **TSO's incentives**

- **UK, IT**: financial reward/penalty based on a combination of factors (balancing actions' volumes, use of LP/storage, NDM forecast accuracy)
- In other cases, prescriptive approach
 - TSO's actions linked to clear commercial rules
 - or TSO's discretion (**HU**)
- In all cases TSOs' policy has to be transparent

» **Transit**

- Impacting on balancing to be further explored

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Main ongoing ACER activity in the Tariffs (TAR) and Capacity (CAM) work streams

**ACER South South-East Gas Regional Initiative
Stakeholder Group meeting (SSE GRI, 24th SG)**

Prague, 7 June 2018

TAR consultation timeline

2018												2019				
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
		NL														
				DE: tbc												
				SE												
				RO												
					PTL											
						PT										
						BBL tbc										
						IUK tbc										
						IT										
							DK									
							GNI									
							IE									
							SI									
							SK									
								PL								
								CZ								
								EL								
								GB								
								HR								
								HU								
									AT							
									BE							
									EE,FI,LT,LV							
														FR		
														BG		
0	0	1	1	4	5	9	13	17	19	17	9	5	2	2	2	0

1 November
deadline for
launching the
consultation

ACER reminder:
Publish English
version of the
consultation

Question: any changes compared to the current planning?

- **ACER's analysis of the TAR consultation is based on consultation guidelines**
 - » Discussed with NRAs
 - » Lays out the scope of the analysis
 - » Provides ACER's interpretation for principles on Article 7 (e.g. cost reflectivity, cross-subsidisation, etc.)
- **On-going consultations**
 - » ACER analysis of NL consultation on-going
 - » ACER received RO and SE consultations
 - » DE and GB have launched intermediate consultations

ACER public consultation on capacity booking platforms

- The Agency is organizing a **public consultation** to collect information for its decision for the **selection of a single booking platform at the German-Polish border**. Stakeholders are invited to contribute. The consultation is open **from 5 June to 27 June**.
- Find out more at:
https://www.acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2018_G_03.aspx
- Submit your response to: bookingplatform@acer.europa.eu

Thank you for your attention!



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