

## ENTSOG / ACER EU Data Exchange Consultation

### Draft National Grid Response.

[Q 1-3 are administrative]

#### **4. For data exchange involving VTPs**

What Network / Protocol / Format do you use today for data exchange? (e.g. internet / AS4 / Edig@s XML)

Network

Protocol

Format

Since the creation of the national network code in 1996, the method of data exchange between National Grid and GB shippers for booking capacity and submitting gas flow nominations has been the Information Exchange, commonly known in GB as 'IX'. This is a private data network which requires specific hardware to be installed at all GB shippers' offices and data is exchanged via ISDN telephone line.

In October 2015, National Grid started matching nominations at interconnection points (IPs) with its adjacent TSOs as required by the EU Balancing and Interoperability network codes. To enable us to carry out this process, we implemented changes to our IT systems such that we could accommodate both 'document-based' data exchange (AS2, AS4, Edigas-XML messages over the internet) and 'integrated' data exchange (also known as 'web services' using <https://SOAP>, Edigas XML messages over the internet). In May 2016, in order to comply with the Interoperability Code, we extended this solution to enable our shippers to submit nominations and receive confirmed quantities in respect of the IPs via these Common Data Exchange Solutions (CDES).

These investments were limited to the IPs; the means of data exchange for nominations and trade notifications in respect of all other physical and virtual points remained as solely IX.

#### **5. For data exchange involving VTPs**

Do you believe that the lack of harmonisation in the communication of trade notifications to VTP operators is a technical barrier for the completion of the internal market?

Yes

No

Answer neither yes nor no – comments only

Comment (optional)

We recognise that the lack of harmonisation in the communication of trade notifications to VTP operators is, evidently, a barrier to efficient data exchange in Germany. We have no knowledge about the extent to which this reported issue on the Functionality Platform prevails more widely in the EU.

From a GB perspective, we have experienced very little interest from GB shippers to date in adopting the CDES as a means of nominating at the IPs.

## 6. Potential solutions for data exchange involving VTPs

Proposed solution: “European solution”

Make the INT NC apply to Virtual Trading Points

Insert in Article 1 (2): “Chapter V shall apply to IPs and **virtual trading points**”

Change Article 20 (1) “counterparties means network users active at **IPS or Virtual trading points**”

Extend obligations to parties carrying out data exchange of behalf of TSOs

Add **Article 24a**: Article 20 (2) – 23 shall apply both to the transmission system operator and entities who carry out tasks of the transmission system operator described in Article 20(2).

NC amendment to apply from XX.YY.2020?:

New **Article 26a**: The implementation of the amendments in Article 20 (1) and 24a shall apply from XX.YY.2020.

Rescoping of the ENTSOG CNOT for Nominations & Matching to include VTPs:

Modification of the Nominations & Matching BRS

Addition of the relevant rows to the ENTSOG CDES table

*Note: While network users would anyhow receive a nomination confirmation after the matching process on day D, the allocation of trade notifications to balancing accounts on day D+1 is not mentioned in the issue raised.*

**Do you agree with the NC extension proposal to VTPs and VTP operators?**

No

Comment (optional)

With reference to our answer to Q3, at present, we are not convinced that it is necessary to legally oblige all TSOs and market area managers to invest in IT system changes to make the CDES available for shippers to submit trade notifications at VTPs (the National Balancing Point or NBP in our case). The contributions of a broader range of EU market participants to this consultation will, we hope, go some way to demonstrating whether doing so is necessary for effective EU gas market integration.

## 7. Would the solution proposed ensure an appropriate degree of harmonisation?

No

Comment (optional)

Our answer to Q6 explains our rationale.

## 8. Is there any other solution that should be considered for the reported issue?

Yes

Comment (optional)

Depending upon the outcomes of this consultation, it may be more appropriate to adopt the proposed solution but make its application conditional upon a NRA decision.

Precedent for this type of solution already features in the Interoperability Code. For example, existing data exchange solutions may continue to apply in respect of IPs provided that domestic shippers have been consulted and the TSO has the consent of its NRA (Article 23(2)). Similarly, in the Units section, the use of reference conditions other than the harmonised set may continue to apply with NRA consent. (Article 13(3)).

In relation to data exchange solutions, Article 23(2) is important because different member states, and indeed different TSOs, will inevitably be at different stages in their IT strategies and it is likely to be neither economic nor efficient to require everyone to adopt the new solution and retire the existing one at the same time. The Code as currently drafted recognises this fact and, effectively, sets the future harmonisation ambition whilst providing an appropriate level of flexibility for parties to migrate at a pace which is sensible for them.

This is, of course, not only an issue for the TSO, since if the existing solution is retired, shippers will also incur costs in adapting their IT systems to be compliant with the new solution. Shippers that operate on a pan-EU basis may well have a business case to do this whilst smaller or purely domestic players may be much more reluctant.

We therefore consider that a similar type of solution should be considered in response to the issue raised. The solution could be implemented as drafted, but with a proviso that if a TSO consults its shippers and obtains written consent from its NRA that the proposed solution is not appropriate for that particular member state then the TSO is relieved of its obligation to extend the solution that it has in place at its IPs to its VTP(s).

## 9. For data exchange involving Storage Operators

What Network / Protocol / Format do you use today for transportation nomination to the **TSO** connection points to storage facilities?

(e.g. public internet / AS4 / Edig@s XML)

Network

Protocol

Format

IX, as more fully described in our answer to Q4.

## 10. For data exchange involving Storage Operators

What Network / Protocol / Format do you use today for transportation for nomination to the **Storage Operators**?

(e.g. public internet / AS4 / Edig@s XML)

Network

Protocol

Format

National Grid is not a storage operator so this question is not applicable for us.

## 11. For data exchange involving Storage Operators

Do you believe that the lack of harmonisation in the communication of nominations to storage points is a technical barrier for the completion of the internal market?

No

Comment (optional)

We are not yet convinced that this is the case but await with interest the responses to this consultation from storage operators and market participants.

## 12. For data exchange involving Storage Operators

Would you also benefit from harmonization at other points requiring nominations as per [BAL NC Article 18](#)?

*This question is relevant if you answered the previous one with "yes"*

Comment (optional)

N/A because we answered 'no' to Q11.

## 13. Potential solutions for Storage Facilities

Option 1 "National voluntary solution":

Rescoping of the ENTSOG CNOT to include nominations to storage facilities, LNG terminals and other points subject to nomination ( [BAL NC article 18](#)) and recommend a CDES for such data exchange requirements

Option 2 "Fully fledged binding European solution":

Rescoping of the ENTSOG CNOT as stated above

Depending on the outcome of the relevant impact assessment, amending the gas regulation (in the course of 2020 gas legislative package discussion) to extend INT NC obligations for TSOs in Chapter V to other system operators involved in points subject to nominations according to BAL NC Art 18 (e.g. SSOs, LSOs, etc).

Please indicate your preferred solution

Option 1 "National voluntary solution"

Option 2 "Fully fledged binding European solution"

**At present we do not support either solution but hope that the output from this consultation will inform whether such solutions are required.**

#### **14. For data exchange involving Storage Operators**

Could you explain your choice for the potential solution

N/A

#### **15. For data exchange involving Storage Operators**

What is your view on the effectiveness of each of the proposed solutions?

Please provide your view on the effectiveness of each solution

Option 1: "National voluntary solution":

Option 2: "Fully fledged binding European solution"

N/A

#### **16. For data exchange involving Storage Operators**

Is there any other solution that should be considered for the reported issue

Yes

No

Comment

N/A