

**Gas System
Operator**

EU Update

Transmission Workgroup
4th October 2018

nationalgrid



ACER's report on TSOs' revenues

Background

- Art. 34 TAR NC: ACER is obliged to produce the report on 'methodologies and parameters used to determine the allowed/target revenue of TSOs'
- ACER hired a consultant (ECA) to produce the report. An event was organised on 20 Sept. to present the provisional report (report will be published late Oct.)

Report content and provisional conclusions

- Description of EU Member State methodologies
 - Covering: overall regulatory framework; determining and setting expenditures; regulatory asset base; WACC; other regulatory mechanisms
- Evaluation of EU methodological practises (this goes beyond what we wanted)
 - Covering topics listed above – evaluation of the relative effectiveness of methodologies
 - Categorisation of objectives: economic efficiency, risk allocation, other regulatory and consumer issues

ACER's report on TSOs' revenues

Report content and provisional conclusions (cont...)

- Report explores if there can be a level of consistency and standardisation between NRAs
- ECA see report as starting point for more transparency
- Acknowledge that harmonisation wouldn't be appropriate for many regulatory components, including the overall regulatory framework, due to national conditions
- Harmonised glossary / definitions not included – too much variation throughout EU

Stakeholders and EC

- Stakeholders generally supportive
 - 'benchmarking' was encourage by IFIEC
- EC welcomed the report:
 - will be used to feed into future EC studies on TSO revenue
- Number of NRAs sceptical: "regulating the regulator"

Madrid Forum 16-17 October 2018

Role of gases in the decarbonisation of the EU's energy sector

- Role of gases in decarbonising the EU energy mix
- The potential contribution of gas infrastructure to decarbonisation
- Potential challenges for gases in the energy transition
- Sector coupling – the potential of linking the electricity and gas sector

EU internal gas market

- Potential measures for upgrading the EU internal gas market
- Network Code implementation
- Improving market functioning in the Energy Community

Change in focus from implementation to future role of gas

FUNC: Issue Overview (<http://www.gasncfunc.eu/>)

No	Posting party	Description	WG	Next steps	Step date
1	Statoil + 3 others	Communication protocol encryption	INT	Solution to be finalized	September
2	Easee-Gas	Gas Role model	INT	Presentation of the comments on document consistency check to the WG	September
3	ERU	Tariff methodology	N/A	Issue withdrawn by user	N/A
4	GTS	CAM NC text ambiguity in VIPs creation	CAP	Issue solution published	22 August
5	EFET	Ex-post interruptible cap. discounts	TAR	Issue solution published	5 July
6	GMT	Fallback solution for failed DA auctions	CAP	Publication of the solution	Sep/Oct
7	GMT	Data reliability	TRA	Solution to be finalized	September
8	<u>EnC</u> / UTG	INT NC on IPs 3 rd	INT	Understanding confirmation with ACER	14 September
9	<u>Easee-Gas</u>	One invoicing format in DE	INT	Changes acknowledgement in WGs	August/September

EU Data Exchange

ENTSOG-EASEE-Gas Data Exchange Workshop (4th October 2018)

- Purpose: to share information with the market on recent data exchange developments and discuss Edigas v6
- Agenda at https://www.entsog.eu/events/entsog-and-easee-gas-joint-workshop-on-data-communication-harmonisation-for-gas-transmission?utm_medium=email&utm_campaign=INVITATION%20%20ENTSOG%20and%20EASEE-gas%20joint%20workshop%20on%20Data%20Communication%20Harmonisation%20for%20Gas%20Transmission&utm_content=INVITATION%20%20ENTSOG%20and%20EASEE-gas%20joint%20workshop%20on%20Data%20Communication%20Harmonisation%20for%20Gas%20Transmission+CID_e9622b96c11d7a651803e3cd462961c3&utm_source=CampaignMonitor&utm_term=here#registration

FUNC Issue on Data Exchange Solutions at Virtual Trading Points (VTPs) and storage

- ENTSOG's current thinking is that any INT Code amendment should only cover trade nominations, not trade notifications or storage sites
- Further discussion scheduled in October with ACER and other stakeholders

Other issues

ACER study on conditional capacity products

- TSOs currently being surveyed by Baringa on conditional capacity products
- ENTSOG shall be developing a coordinated response to ACER
- Preliminary findings by consultant to be presented at ACER workshop on 4 December
- <https://www.acer.europa.eu/Events/ACER-workshop-on-conditional-capacity/default.aspx>

EC consultation on Summertime arrangements

- Options being considered
 - Keeping current EU summertime arrangements
 - Discontinuing current bi-annual time changes for all Member States
- ENTSOG considering impact on gas day for new consultation

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