


ACER

 Agency for the Cooperation
of Energy Regulators

Network Code on Balancing

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Madrid, 17-18 April 2013

Past process

2011

- 18. Oct.: **Framework Guidelines** on Gas Balancing in Transmission Systems adopted by the Agency

2011

- 4. Nov.: European Commission **invited** ENTSOG to draft a Network Code on gas balancing (NC BAL) by 5 November 2012

2012

- 13. Apr.: **Draft NC BAL** published by ENTSOG for public consultation

2012

- 14. Jun.: Informal **preliminary reasoned opinion** submitted by the Agency

2012

- 2. Oct.: Ten main areas of concern reiterated in a **letter** to ENTSOG

2012

- 26. Oct.: Official **submission of NC BAL** to the Agency & Commission (with most of previous concerns already addressed)

2013

- 25. Jan.: **ACER's Reasoned Opinion** identified eight elements of NC BAL to be brought further into line with the Framework Guidelines

2012

- in Dec.: ENTSOE – ACER **discussions** on necessary NC BAL amendments

2013

- mid Jan.: **Compromise** on NC amendments reached at working level

2013

- 21. Feb.: Official resubmission of **amended Network Code** to the Agency

2013

- end Feb.: **Final check** by ACER of amended NC and explanatory document, in which ENTSOE described and reasonably argued all changes
- Result: Resubmitted NC sufficiently reflects prev. discussions on compromise wording on all (but one) concerns, including legal and other comments by EC. [ACER concludes that the NC sufficiently conforms to the FG & its objectives.](#)

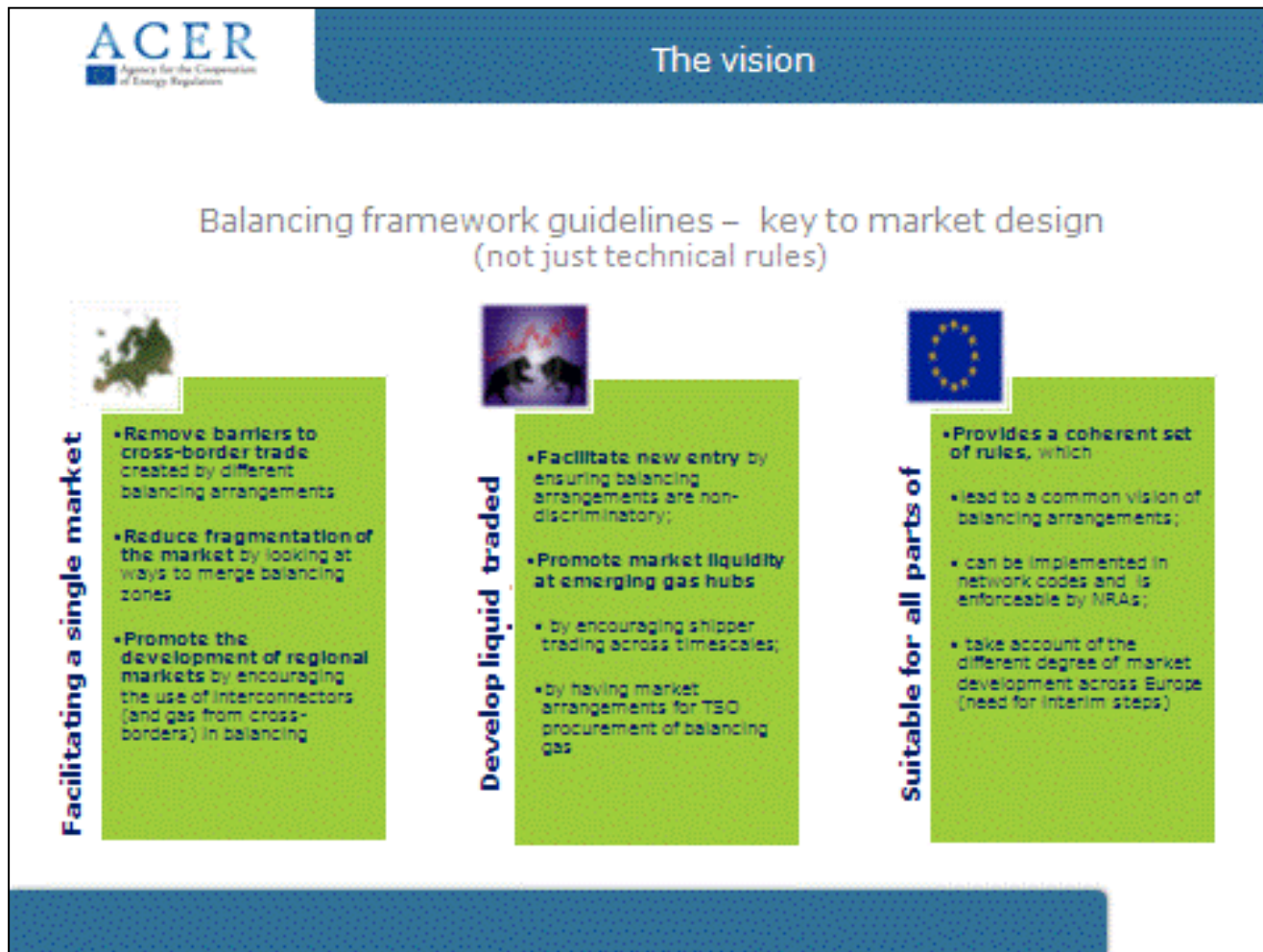
2013

- 20. Mar.: ACER BoR approved the **unconditional recommendation** for adoption of the Network Code by the European Commission

2013

- End of March: Commission took over to initiate Comitology Procedure

Recap: the vision



Slide used at previous Madrid Forums (2010-12)

Facilitating a single market



Facilitating a single market

- **Remove barriers to cross-border trade** created by different balancing arrangements
- **Reduce fragmentation of the market** by looking at ways to merge balancing zones
- **Promote the development of regional markets** by encouraging the use of interconnectors (and gas from cross-borders) in balancing



Harmonised balancing and nomination rules.



Requirements for TSOs to consider market merging or market coupling.



Harmonised balancing products; cross-border balancing platform, TSO cooperation.

Develop liquid traded markets



Develop liquid traded market

- **Facilitate new entry** by ensuring balancing arrangements are non-discriminatory
- **Promote market liquidity at emerging gas hubs**
 - by encouraging shipper trading across timescales
 - by having market arrangements for TSO procurement of balancing gas



Cost-reflective imbalance charges, harmonised, transparent set of rules



“Shipper-led” balancing, reduced TSO role



Flexible (re-)nomination rules, within-day information provision



Market-based TSO procurement

Suitable for all parts of Europe



Suitable for all parts of Europe

- **Provides a coherent set of rules**, which

- lead to a common vision of balancing arrangements

- can be implemented in national rules and is enforceable by NRAs

- take account of the different degree of market development across Europe (need for interim steps)



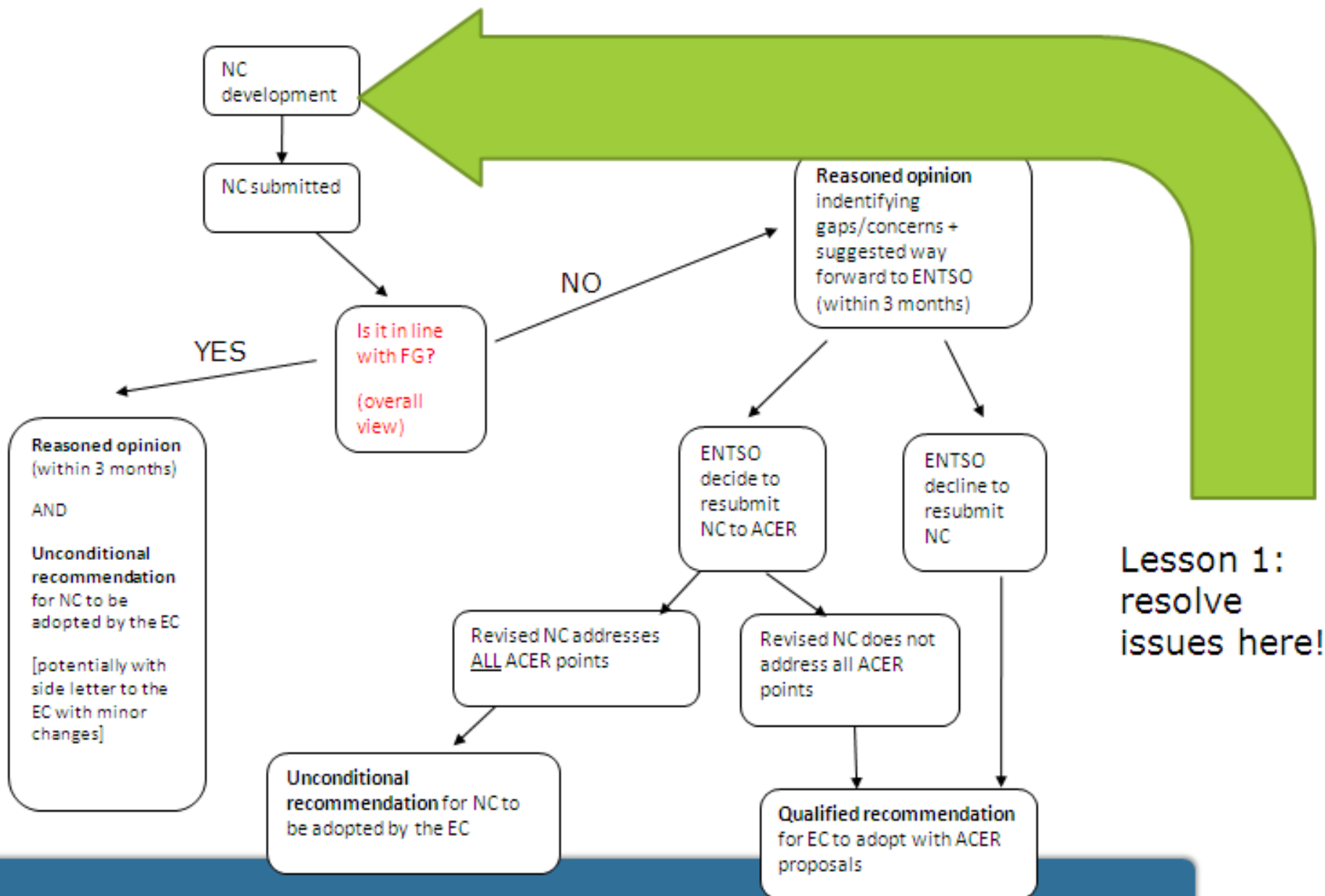
Established common vision at the beginning of the process



Where appropriate, the network code sets out precisely how local specificities are to be dealt with



Interim steps towards the achievement of this vision are defined



Next steps

28.5.13
Informal MS
meeting

11.7.13
Comitology
Meeting

2013/14
finalisation &
publication

Implementation ongoing

Thank you for your attention!



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