



Gas Balancing Guidelines Guidelines for Good Practice GBGPB

XIIth Madrid Forum, 20-21 February 2007

Purpose of Guidelines for Gas Balancing



- Purpose is to provide more detailed guidance to regulators and TSOs on the design of gas balancing mechanisms
- Should help ensure that the mechanisms designed and applied in a fair, non-discriminatory and transparent way and based on objective criteria
- The GGPGB represents ERGEG's advice to the European Commission on its interpretation of Article 7 of the Regulation 1775/2005 (the 'Gas Regulation')
- A recent consultation by GRI North West Region found that market participants were still concerned about the lack of harmonisation of gas balancing regimes across the region and their impact on the effectiveness of the market

Initial Consultation on Gas Balancing

- July 2005 – set out the views of the European Regulators for Electricity and Gas (ERGEG) on gas balancing issues:
 - Cash-out prices
 - Balancing period
 - Access to flexibility
 - Tolerance levels
 - Information
- Proposed changes to existing principles for gas balancing previously developed by European regulators and more detailed “guidelines for good practice” – as formal advice to the European Commission
- The guidelines would represent ERGEG’s interpretation of legislative requirements on gas balancing in the Gas Regulation

Second consultation on Gas Balancing



- 16 responses were received to the July 2005 consultation – shippers, traders, suppliers, TSOs
- April 2006 – ERGEG published conclusions on its gas balancing principles and an initial draft of the guidelines for good practice for gas balancing (GGPGB)
- 12 responses were received from market participants to the draft GGPGB
- ERGEG analysed the responses and revised the GGPGB in light of comments received both from market participants and regulators.

Publication of the Guidelines



- The guidelines were subsequently approved by EREG in December 2006 for application immediately and compliance by 1 April 2007
- An explanatory note which outlines where changes have been made and why other changes requested by stakeholders were not made was published alongside the guidelines on the EREG website : www.ereg.org
- The guidelines are designed to be consistent and support the existing requirements in the Gas Regulation
- They are voluntary but NRAs should use their powers to ensure that they are implemented
- EREG encourages the industry to implement them

Going Forward



- **ERGEG will provide any further advice to the Commission on gas balancing issues as required**
- **ERGEG will also continue work on gas balancing issues through its Regional Initiative as appropriate (e.g. North West region)**