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## Transparency Requirements: The US Model

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# The US Regime—Summary

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- § **Specific and detailed information transparency requirements**
  - § Implemented and enforced by single federal regulator (FERC)
- § **Applies to all interstate pipelines**
  - § Proposal for new requirements for some *intrastate* pipelines
- § **Data types and measurement units are consistent across the US**
  - § No transparency “patchwork”
- § **No requirement for harmonisation of reporting formats**
  - § Market has delivered information format harmonisation
- § **No single user protection relating to the data that is published**
  - § No exemption similar to the EU less than three shipper rule
- § **Ongoing requirements for improvements in the provision of information by pipeline companies to keep pace with market developments**

# Required Information in the US

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## § Pipeline Capacity

- § Total capacity available, including fees

- § Capacity booked (firm and interruptible) per shipper: volume, delivery point, injection point, duration, price.

- § Planned outages and maintenance

- § Clearly published balancing rules

## § Storage Capacity

- § Total capacity available, including fees

- § Capacity booked (firm and interruptible) per shipper: volume, duration, price

- § Maximum volume and injection/withdrawal rates, total injection and withdrawal, maximum injection & withdrawal, prices charged to customer
  - Twice yearly, 30 days after injection/withdrawal season, per customer

## § Flows

- § Proposed new rule would require operators to post actual flow volumes at receipt, delivery and storage points within 24 hours of the gas day closing
  - would apply to both interstate and intrastate pipes

# What Regulation 1775/2005 Requires

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## § Short on specific requirements:

- § “Detailed information” about services offered
- § “Technical information” necessary for effective network access
- § “Reasonably and sufficiently detailed information” on tariffs
- § “User friendly, standardized information” on capacities

## § Provides wide discretion to TSOs

- § Subjective criteria
- § No clear requirement for standard measurement units
- § No timing requirement
- § Less than 3 shipper exemption survives

## § Based on the US experience, effective information transparency requires clear and specific rules

- § Transparency is ill suited to allowing wide TSO discretion

## § Additional guidance would be welcome

## EFET has proposed specific Information Requirements

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- § Internet access to critical data
- § Gas quality specifications
- § Maximum available pipeline capacity
- § Commercially available pipeline capacity
- § Maintenance schedules and planned outages
- § Daily gas flow information
- § Imbalance calculation methodologies
- § Available storage capacity
- § Storage injection/withdrawal rates

# How does the EU stack up?



| Key Categories                            | US-wide Requirement | EU-wide Requirement |
|---|---------------------|---------------------|
| Non-discriminatory pipeline access        | •                   | ?                   |
| Internet access to critical data          | •                   | ?                   |
| Gas quality specifications                | •                   | X                   |
| Maximum available pipeline capacity       | •                   | ?                   |
| Commercially available pipeline capacity  | •                   | ?                   |
| Maintenance schedules and planned outages | •                   | X                   |
| Gas flow information                      | ?                   | X                   |
| Imbalance calculation methodologies       | •                   | ?                   |
| Available storage capacity                | •                   | ?                   |
| Storage injection/withdrawal rates        | •                   | X                   |
| No Less Than 3 Shipper rule               | •                   | X                   |

# Why is Information Access important?

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## § Enhances gas trading by:

- § Aiding non-discriminatory system access
- § Helping transmission customers manage costs and non-compliance risks
- § Facilitating market entry by new participants
- § Facilitating creation of regional gas markets
- § Optimising system utilization
- § Facilitating efficient market balancing mechanisms
- § Facilitating secondary market development and operation

## § And traders are vital to a fully functional gas market. Traders . . .

- § Bring together supply and demand
- § Help manage supply and price risk and volatility
- § Compete on price, putting downward pressure on consumer prices
- § Help to optimise generation fuel mix and operational efficiency
- § Help to optimise transmission system utilisation over various time horizons

# Conclusion

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- § US requirements are significantly ahead of EU requirements
  - § Very limited information is generally available in the EU
  - § There are few clear, specific and consistent EU-wide requirements
  - § What is available in the EU is not consistent TSO to TSO
- § The US system focuses on getting the basic information published
  - § Consistent units but no harmonised format
  - § Relies on the market to make the data useful
  - § Private sector companies clean the data and sell it in a uniform format
- § The EU must improve EU-wide data publication requirements
  - § Clear EU-wide guidance for data publication
  - § Ensure consistent implementation by TSOs
  - § Consistency of data availability across TSOs is key
  - § The market will deliver any required format standardisation services



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