

## **GIE’s response on ACER’s “Paper to define the scope of the Framework Guideline on Interoperability Rules for the European Gas Transmission Network”**

---

### **What is GIE?**

Gas Infrastructure Europe (GIE) is an association representing the sole interest of the infrastructure industry in the natural gas business such as Transmission System Operators, Storage System Operators and LNG Terminal Operators. GIE has currently 70 members in 25 European countries.

One of the objectives of GIE is to voice the views of its members vis-à-vis the European Commission, Regulators and other stakeholders. Its mission is to actively contribute to the construction of a single, sustainable and competitive gas market in Europe underpinned by a stable and predictable regulatory framework as well as by a sound investment climate.

### **General Comments:**

GIE welcomes the opportunity to respond to ACER’s scoping exercise for the Framework Guideline on Interoperability Rules for the European Gas transmission Networks.

We would like to note that the applicability for the Framework Guideline should be on interconnection points between TSOs only.

To be consistent with regulation EC 715/2009, harmonisation should only occur where the market clearly identifies barriers to cross-border flows and market integration. To go beyond this remit could generate unnecessary costs on the industry and would not be aligned to the requirement of infrastructure operators to be economic and efficient.

We recognise that Network Users will benefit from the removal of barriers where they exist, but only where the benefits exceed the costs of the associated investment and development that shall be required by infrastructure operators.

### **Detailed response to questionnaire:**

<b>Questions to be answered on Definition:</b>	
<b>2.Q1</b>	<b>Do you have a different understanding of the term “interoperability” as compared to the definition above? If yes, please explain what in your view the term should cover and why so?</b>
GIE considers that “interoperability” with respect to an EU Code should focus on facilitating cross border flows and market integration (as defined in Regulation (EC) 715/2009). As such, it agrees with the following definition which is largely in line with that proposed by ENTSOG:  <i>“In the context of gas markets within the EU, interoperability is concerned with the physical and operational issues surrounding the free flow of gas between connected systems. The aim of interoperability is facilitating the exchange of gas at interconnection points by developing codes and</i>	

<i>tools, including compatible procedures, standards and data exchange”</i>	
<b>2.Q2</b>	<b>Is the definition sufficiently clear to separate out the issues to be treated in this Framework Guideline against issues treated in other Framework Guidelines? If not, please make specific suggestions how the definition could be made clearer.</b>
Please refer to the answer to the question 2.Q1.	
<b>2.Q3</b>	<b>Would an even wider scope of definition be needed? Would for instance the inclusion of the interoperability of electricity and gas (transmission) grids (e.g. via “power-to-gas” and “gas-to-power” applications) be sensible in your view and to what extent this could be beneficial?</b>
To develop a framework guideline that would directly impact both gas and electricity grids would unnecessarily complicate the network code development process and is likely to be beyond the scope of the third package. It could mean that ENTSO-E would need to be involved along with the ENTSOG and there is no mechanism for doing so.	
<b>2.Q4</b>	<b>In your view, should the Framework Guideline on Interoperability Rules serve as a central reference document on issues regarding technical and operational harmonisation for gas systems including transmission, LNG, storage and distribution?</b>
The Framework Guideline should be focused on interoperability at TSO/TSO interconnection points in order to facilitate cross-border flows.	

<b>Questions to be answered on Applicability:</b>	
<b>3.Q1</b>	<b>Do you agree with the preliminary proposal for the application of this Framework Guideline? If not, please explain how the area of application should change in your view and provide reasoning for your answer.</b>
The Framework Guideline should focus on interconnection points between TSOs. The Third Energy Package (article 8.7 of REG-715) is clearly applicable only to Interconnection Points and thus excludes LSO, SSO, DSO, production facilities, end consumers, third countries and a TSO.	
<b>3.Q2</b>	<b>At this stage, the areas of application of the Framework Guidelines on Capacity Allocation Mechanisms and on Balancing are different. Should the application of the Framework Guideline on Interoperability Rules be aligned with one of these? If so, with which one and why?</b>
GIE considers that the area of application for the Framework Guideline on Interoperability Rules should be aligned with that for CAM as it should be primarily focused on facilitating cross-border flows.	
<b>3.Q3</b>	<b>Should there be a possibility to fine-tune the application of the Framework Guideline when it comes to different kinds of entry/exit points or different issues, such as nomination process, gas quality, etc., which are addressed in the Framework Guideline? Please give reasoning for your proposal.</b>
The Framework Guideline should be restricted to TSO/TSO interconnection points therefore no fine tuning seems necessary.	

<b>Questions to be answered on the Nomination Process:</b>	
<b>4.1.Q1</b>	<b>Regarding the nomination process, in your view, what are the barriers (to trade/entry) that require regulatory attention at European level? And why? (Which of the issues listed above do you consider to be important barriers, and why? What other issues constitute a barrier in your view, and why?) Why are the barriers you identified best addressed by including them for consideration</b>

	<b>within the scope of this Framework Guideline?</b>
Alignment of nomination processes and ensuring that lead-times and timings of information flows are consistent with the needs of the different actors in a well functioning market.	
<b>4.1.Q2</b>	<b>Are there any other topics (such as data format, communication and units) that are important to consider under the heading of the nomination process, besides those that are being mentioned later on in the document (gas day; nomination scheme; operational constraints)?</b>
Nomination scheme and operational constraints are the key topics.	

<b>Questions to be answered on the Gas Day:</b>	
<b>4.1.1.Q3</b>	<b>Should a definition of the gas day be included in the Framework Guideline on Interoperability Rules or is the definition in the FGs CAM and Balancing sufficient?</b>
A consistent definition of the gas day is required. The definition in the draft NC CAM should be used.	
<b>4.1.1.Q4</b>	<b>Is a methodology needed on how daylight saving time is to be applied with regard to the gas day?</b>
How daylight saving is applied will have an impact on processes such as nominations. A clear methodology needs to be developed.	

<b>Questions to be answered on the Nomination Scheme:</b>	
<b>4.1.2.Q5</b>	<b>Regarding the applicable re-nomination regimes, what are the barriers to cross-border trade or entry that require regulatory attention at European level? Why are these barriers best addressed by including this issue within the scope of this Framework Guideline?</b>
Lead-times and gate closures for nominations and renominations need to be consistent between different systems.	

<b>Questions to be answered on Operational Constraints:</b>	
<b>4.1.3.Q6</b>	<b>Regarding operational constraints, what are the barriers to cross-border trade or entry that regulators should seek to address at European level? Why are these barriers best addressed by including this issue within the scope of this Framework Guideline?</b>
A set of procedures and principles to make sure all necessary information in the event of a constraint is provided in time between “adjacent” operators and between operators and shippers could be addressed within the scope of this Framework Guideline. The scope should be limited to constraints that can be managed through market mechanisms and other allowed operational tools. Constraints that lead to an emergency should be treated separately.	
<b>4.1.3.Q7</b>	<b>Knowing that there is also a specific network code to be developed on operational procedures in an emergency, should this issue be better placed in a dedicated Framework Guideline or integrated in this Framework Guideline on Interoperability Rules?</b>
Emergency procedures should be treated separately and have its own code as envisioned in Regulation EC 715/2009.	

<b>Questions to be answered on Interconnection Agreements:</b>	
<b>4.2.Q1</b>	<b>Regarding interconnection agreements (and the associated issues listed above), what are the barriers to cross-border trade or entry that require regulatory attention at European level? Why are these barriers best addressed by including this issue within the scope of this Framework Guideline?</b>

An interconnection agreement should never be a barrier to cross-border trade as by its very intent it is concerned with facilitating gas exchange at interconnection points avoiding operational barriers.	
<b>4.2.Q2</b>	<b>Would it be sufficient to pinpoint at issues as a minimum content of an agreement (i.e. standardisation of the minimum content of an agreement) or is there a need to specify the issues directly and in detail and propose them for harmonisation? Or both? Please reason your answer.</b>
It is both sufficient and appropriate that any Code only specifies a minimum content of any interconnection agreement. Connections between adjacent operators always have certain specificities that can only be detailed on a bilateral basis.	
<b>4.2.Q3</b>	<b>Do you agree that topics like matching, rules for flow control, measurement principles of gas quantities and quality, rules for allocating measured quantities, exceptional events and changes to the agreement form a minimum set of issues to be harmonised? Are there more issues from the interconnection agreement that look for harmonisation? Please reason your answer.</b>
The definition of a minimum set of general items and content of an Interconnection Agreement is sufficient at Framework Guideline/network code level. As stated above, connections between adjacent operators always have certain specificities that can only be detailed on a bilateral basis	

<b>Questions to be answered on Units Harmonisation:</b>	
<b>4.3.Q1</b>	<b>Regarding the use of units, what are the barriers to cross-border trade or entry that require regulatory attention at European level? Are these barriers best addressed through the Framework Guideline on Interoperability Rules and the related network code, or elsewhere? Please set out your reasoning.</b>
There is a value in having a common set of reference units for commercial processes at interconnectors but TSOs can use conversion factors for internal use. Common units may have a role in any common platforms and bundled products but the use of conversion tools for a system operator's internal processes is the most economically efficient solution to an issue that currently presents no real barrier to cross-border flows. Conversion tools should be allowed as a low-cost possibility.	
<b>4.3.Q2</b>	<b>Units like Pressure, Energy, Volume, Temperature, and Gross Calorific Value are considered as relevant. Are there any other units relevant to overcome barriers as identified?</b>
Energy, Volume and GCV are the most important market related units. Any FG/NC should focus on these.	

<b>Questions to be answered on Gas Quality:</b>	
<b>4.4.Q1</b>	<b>Regarding gas quality, what are the barriers to cross-border trade or entry that require regulatory attention at European level? Why are these barriers best addressed by including this issue within the scope of the Framework Guideline? Or should they be addressed elsewhere? Please set out your reasoning.</b>
The divergence in gas specifications, including gas odorisation, may indeed constitute entry or trade barrier. We would like to note that several processes have been launched already to address gas quality issues and hence any Framework Guideline/network code has to take into account this ongoing work: <ul style="list-style-type: none"> <li>• Harmonisation of gas quality (taking into account the processes involved: CEN's Mandate M400, Cost-Benefit Analysis, EASEE-gas CBP etc.)</li> <li>• Biomethane standards (taking into account the processes involved: CEN Mandate M475, ENTISO paper on Biogas, Marcogaz paper on biogas etc.)</li> </ul>	

The key issue for any FG/NC is one of responsibilities for delivering gas within agreed specifications and of appropriate cost allocation and cost recovery.	
<b>4.4.Q2</b>	<b>Is there need in Europe to harmonise certain aspects of gas quality (not only related to the different parameters but also to odourisation or different gas products like biogas and low calorific gas)? If so, please specify what aspects require harmonisation and why? Please provide your detailed reasoning.</b>
As noted in the response to the question 4.4.Q1, harmonisation of gas quality is subject to an EC sponsored cost/benefit analysis, which is currently being consulted upon. The findings of the final cost-benefit report will need to feed into the work on the related FGs/NCs. Moreover, other issues which are not necessarily tackled by this process and which are of importance for a free flow of gas across borders, such as odourisation, and L-gas may require additional attention at European level. Similarly, the quality standard of biomethane for injection in the natural gas grid should be part of the Framework Guideline on Interoperability Rules - this would be consistent with the European sustainability and climate change agendas.	

<b>Questions to be answered on Data Exchange:</b>	
<b>4.5.Q1</b>	<b>Regarding data exchange, what are the barriers to cross-border trade or entry that requires regulatory attention at European level? Why are these barriers best addressed by including this issue within the scope of the Framework Guideline? Please set out your reasoning.</b>
Data exchange is best suited in a separate FG/NC as foreseen in Regulation 715/2009 and the 3-year plan priorities. Data exchange, like the “units” issue, does not present a clear impediment to cross-border trade but there is logic in having processes in place that will allow a gradual streamlining of data exchange solutions. The existence of the proposed ENTDOG Data and Solutions Handbook will facilitate this process.	
<b>4.5.Q2</b>	<b>The Framework Guideline on Capacity Allocation Mechanisms already includes provisions to promote exchange of information for capacity booking and transfers of capacity rights. Shall the Framework Guideline on Interoperability Rules be used to set out the general principles on data exchange for a larger scope of application?</b>
- see answer for 4.5.Q1	
<b>4.5.Q3</b>	<b>Shall a specific standard protocol for data exchange be defined in the Framework Guideline or should this be left to the Network Code?</b>
All standard protocols for data exchange have a natural lifecycle and as such should not be defined in any Framework Guideline or Code. The processes for agreeing and adopting common solutions where appropriate could be defined at the FG/NC level but the actual technical detail should be recorded elsewhere, such as the proposed ENTSDOG Data & Solutions Handbook.	

<b>Questions to be answered on Capacity Calculation:</b>	
<b>4.6.Q1</b>	<b>Regarding capacity calculation methodology and underlying technical parameters, what are the barriers to cross-border trade or entry that require regulatory attention at European level? Are these barriers best addressed through the interoperability framework guideline and network code, or elsewhere? Please set out your reasoning.</b>
This does not belong in any FG/NC on interoperability. It is an investment related topic.	
<b>4.6.Q2</b>	<b>Is there an additional need to further specify the methods of capacity calculation? If yes, please specify what you believe is necessary and whether the principles for these methods should be specified in this Framework Guideline? Please give reasoning along your answer.</b>



This is no additional need to further specify the capacity calculation methodology in this FG. TSOs already publish their capacity calculation methodology in compliance with existing 3<sup>rd</sup> Package transparency requirements.

<b>Questions to be answered on Supplementary Issues:</b>	
<b>4.7.Q1</b>	<b>What else (other than the six ‘issues’ already listed and discussed) should be included within the scope of this Framework Guideline? Please describe the barriers (to trade/entry) related to these issues and why these barriers are best addressed by including this issue within the scope of the Framework Guideline.</b>
The FG should focus on The Nomination Process, Interconnection Agreements, Units and Gas Quality.	
<b>4.7.Q2</b>	<b>Should any of the following areas – from Article 8(6) of Regulation (EC) 715/2009 – be included in the scope of this Framework Guideline in order to use resources more efficiently, or should they be kept separate: a) network security and reliability rules; b) network connection rules; c) third-party access rules; d) data exchange and settlement rules; e) operational procedures in an emergency? Please give a separate reasoning for each area.</b>
See answer to 4.7.Q1	
<b>4.7.Q3</b>	<b>Should any of the six ‘issues’ already listed be excluded from the scope of the Framework Guideline? Please give your reasoning.</b>
GIE proposes to exclude Data Exchange (belongs in a separate code) and Capacity Calculation (already addressed elsewhere).	