

3rd Meeting on Implementation of the Gas Network Codes in the Energy Community

Energy Community premises | Vienna, Am Hof 4

20 October 2016, 10:00 – 14:00

Meeting Summary

Co-chairing: Nina Grall, Energy Community Secretariat | Kristof Kovacs, DG ENER

Participants: ref. Annex I

I. Application of Gas Network Codes on CP-MS IPs

Discussion:

- The Energy Community Secretariat ('Secretariat') presented a proposal, jointly prepared by the Secretariat and European Commission ('Commission'), targeting the application of gas Network Codes (NCs) on Interconnection Points (IPs) between Energy Community Contracting Parties (CPs) and Member States of the European Union (MS). Acting on the requests of the 1st and 2nd Gas NC meeting, the 42nd Energy Community Permanent High Level Group ('PHLG'), the 11th Energy Community Gas Forum, the 29th European Gas Regulatory Forum as well as the 14th Energy Community Ministerial Council (see reference documents) said proposal suggests:
 1. Adoption of gas NCs by the PHLG under Title II of the Energy Community Treaty leading to legal bindingness between CPs; *but and subject to*
 2. Written confirmation by MS National Regulatory Authorities (NRAs)¹ to apply gas NCs on the relevant MS IP to a CP. This confirmation is targeted by signature of a Declaration (ref. attachment) by MS NRAs neighboring CPs; the draft Declaration was presented to the participants;
 3. The obligation for CP NRAs to apply gas NCs on the relevant CP's IP to a MS *provided* the relevant MS NRA has signed the Declaration (ref. point 2). The obligation for CPs would stem from the decision of the Permanent High Level Group (PHLG) adopting the relevant gas NC (ref point 1).
- The Commission noted that the presented proposal aims to provide a pragmatic solution for ensuring legal certainty for CPs as regards the application of gas NCs on CP-MS IPs by MS authorities. The Commission further underlined that other existing legal mechanisms, such as Title III of the Energy Community Treaty or introduction of a switch-on clause in the NCs, are not realistic to be achieved in short/medium term since requiring changes of the Third Package on EU level and/or lacking support from MS.
- ANRE (ROM) expressed principle support to the signature of the proposed Declaration by ANRE, subject to review of the draft and management approval. Similarly representatives of URE (PL) and EWRC (BG)

¹ As a standard rule: or, where applicable, national authorities.

did not express general refusal to sign the Declaration, however keeping a reservation on the need to consider and review the concrete text proposal.

- The Secretariat underlined that also support from CP NRAs for the Declaration would be a relevant message to the PHLG, even if they would not be supposed to sign the Declaration (but their commitment would develop from the PHLG adoption of a NC; ref (3) above). Representatives of AERS (SRB) expressed their endorsement; representatives of NEURC (UA) noted preference for implementing gas NCs under Title III of the Energy Community Treaty but conceded that the proposed Declaration approach should fit the purpose, if other legal mechanisms would not be realistic at the given moment. Other CP NRAs did not raise concerns.
- While noting the hesitation of UA in particular the Commission insisted that the EnC must emerge from the current "catch 22" where sides are looking to each other to commit so that the adoption of the NCs in the EnC can commence and offered assistance – if needed – to find compromise solutions allowing the respective NRAs (particularly UA and SK) to commit.

Reference documents:

- Presentation Secretariat: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4372423/3F4E2113D0542D9EE053C92FA8C0D2A9.pdf [www.energy-community.org – events – 20 October 2016]
- Draft “Declaration by national regulatory authorities or, where applicable, national authorities on the application of network codes on interconnection points between Energy Community Contracting Parties and Member States of the European Union” (‘Declaration’); attachment
- Summary of the 1st meeting on application of gas Network Codes in the Energy Community: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4224396/377055ABDA715BCBE053C92FA8C05799.pdf [www.energy-community.org – events – 23 June 2016]
- Summary of the 2nd meeting on application of gas Network Codes in the Energy Community: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4372417/3F4DB249EC747DEDE053C92FA8C0D83A.pdf [www.energy-community.org – events – 21 September 2016]
- Conclusions of the 42nd Energy Community Permanent High Level Group, item 6: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4204413/35F307668C134D94E053C92FA8C08225.pdf [www.energy-community.org – events – 22 June 2016]
- Conclusions of the 11th Energy Community Gas Forum, item 7: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4326453/3D2CE0E6B1EE4C6AE053C92FA8C060A6.pdf [www.energy-community.org – events – 22/23 September 2016]
- Conclusions of the 29th European Gas Regulatory Forum, item 05, last paragraph: https://ec.europa.eu/energy/sites/ener/files/documents/29th_mf_conclusions_adopted.pdf [www.ec.europa.eu – Departments (Directorates-General) and services – energy – events; #MadridForum16]
- Conclusions of the 14th Energy Community Ministerial Council, item 16: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4364432/3F0F5060F0BD2062E053C92FA8C00B86.pdf [www.energy-community.org – events – 14 October 2016]
- Procedural Act of the Permanent High Level Group laying down the rules governing the adoption of Guidelines and Network Codes in the Energy Community: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4364432/3F0F5060F0BD2062E053C92FA8C00B86.pdf

community.org/portal/page/portal/ENC_HOME/DOCS/1636177/0633975ABA707B9CE053C92FA8C06338.PDF
[www.energy-community.org – about us –legal framework]

II. Focus CMP² and CAM³

Discussion:

- ENTSOG and ACER presented the EU experience in implementing the CAM NC and CMP NC.
- Participants asked whether OS&BB would be a preferable solution over FDAUIOLI. ACER explained that the decision remains with the NRAs to decide and agree per IP; experience proves OS&BB to be generally preferred by NRAs in practice.
- AERS representatives presented comments (jointly developed by the Serbian NRA, TSO and Ministry on staff level) on the Interoperability (IO) NC⁴ and CMP NC that were also provided to the Secretariat before the meeting, namely: (a) to move the implementation deadline from 1st January 2018 to 1st October 2018 having in mind the start of the gas year; and (b) to avoid implementation between TSOs in one CP. The Secretariat confirmed to include the comments presented by AERS in the adapted NC versions to be tabled to the PHLG for adoption.
- The Secretariat asked whether there would be further comments on the adapted CMP NC version circulated before the meeting. No related comments were made before or during the meeting.
- **The Group agreed on the proposed adapted text of CMP NC and IO NC versions as attached to this meeting summary, as discussed at the three meetings on implementation of gas NCs in the Energy Community and supported tabling them for PHLG adoption, provided a legal mechanism as discussed under (I) above can be achieved.**

Reference documents:

- Presentation ENTSOG, CMP: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4372413/3F4DB249EC2A7DEDE053C92FA8C0D83A.pdf [www.energy-community.org – events – 20 October 2016]
- Presentation ACER, CMP : https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4372411/3F4D805CC0FA54A8E053C92FA8C0020A.pdf [www.energy-community.org – events – 20 October 2016]
- Presentation ENTSOG, CAM: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4372415/3F4DB249EC367DEDE053C92FA8C0D83A.pdf [www.energy-community.org – events – 20 October 2016]
- Presentation ACER , CAM: https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4372409/3F4D805CC0ED54A8E053C92FA8C0020A.pdf [www.energy-community.org – events – 20 October 2016]
- Adapted CMP NC and IO NC: attachments

² NC on Congestion Management Procedures (amendment of the Annex to Regulation (EU) 715/2009).

³ Capacity Allocation Mechanism NC: Regulation (EU) 984/2013.

⁴ Regulation (EU) 703/2015.

III. Way forward

- Secretariat to make available meeting slides and meeting summary.
- Secretariat to circulate draft Decision for text review by NRAs of MS neighboring CPs.
- Secretariat to include Serbian comments in the CMP NC and IO NC and share the versions agreed by the Group with the Commission for proposing to the PHLG. **The Group invited the Commission and Secretariat to present the CMP NC and IO NC to the PHLG meeting in December 2016 and propose for adoption at the first PHLG meeting in 2017.** Participants agreed that the proposal of the CAM NC for PHLG adoption shall target the most recent version applicable on EU level, not expected to be applicable before March 2017. Participants therefore suggested not tabling the CAM NC for PHLG adoption in December 2016 but directly after applicability on EU level. Having in mind the specific complexity of the NC on gas balancing⁵ (BAL NC) and the fact that its implementation is closely linked to the CAM NC, the Group suggested postponing tabling the BAL NC for PHLG adoption in 2017 only.

Annex: list of participants

Attachments: draft Declaration; adapted CMP NC – version agreed by the Group; adapted IO NC – version agreed by the Group.

⁵ Commission Regulation (EU) 312/2014.

Annex – List of Participants

Name	First Name	Institution		Country	Via Adobe Connect
Angyalova	Sylvia	Eustream	TSO	Slovakia	
Baidauz	Igor	MoldovaGaz	TSO	Moldova	
Balogh	Adam	ECS	ECS		
Bundaleski	Slavko	ERC	NRA	fYR of Macedonia	x
Cegir	Karolina	ECS	ECS		
Desku	Drita	ERO	NRA	Kosovo	
Dukic	Stevan	Srbijagas	TSO	Serbia	
Eles	Zsolt	Magyar Gáz Tranzit	TSO	Hungary	
Galletta	Riccardo	ACER	ACER		
Gjeci	Genci	Albpetrol	TSO	Albania	
Grall	Nina	ECS	ECS		
Grujicic	Predrag	ECS	ECS		
Hadžiomerović-Šutović	Mirela	BH-Gas	TSO	BiH	
Hlusek	Peter	ENTSOG	ENTSOG		
Hölzer	Thomas	ACER	ACER	Slovenia	
Jost	Maria	ENTSOG	ENTSOG	Belgium	
Kacanski	Bojan	Srbijagas	TSO	Serbia	
Karcic	Alija	BH-Gas	TSO	BiH	
Kazmierska	Aldona	URE	NRA	Poland	x
Kovacs	Kristof	DG ENER	DG ENER		
Laert	Dogjani	Albpetrol	TSO	Albania	
Marsenic Maksimovic	Branislava	ECS	ECS	Austria	
Mitrovski	Dalibor	ERC	NRA	fYR of Macedonia	x
Molodih	Johanna	FGSZ	TSO	Hungary	
Popadic	Aleksandar	AERS	NRA	Serbia	
Prokofiev	Andrii	Ukrtransgaz	TSO	Ukraine	
Selavardeanu	Cristian	ANRE	NRA	Romania	
Sirkova	Mariana	EWRC	NRA	Bulgaria	
Shuli	Maksim	ERE	NRA	Albania	
Stancheva	Boryan	EWRC	NRA	Bulgaria	
Stratulat	Elena	ANRE	NRA	Moldova	
Tubin-Mitrović	Branka	AERS	NRA	Serbia	
Vitovsky	Jan	ENTSOG	ENTSOG		
Yatsevyuk	Oleksiy	NEURC	NRA	Ukraine	
		Bulgatransgaz	TSO	Bulgaria	x