



# **Transparency of gas transmission system operators in the Energy Community Contracting Parties**

## **Status Review**

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# I. INTRODUCTION

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## 1. About ECRB

The Energy Community Regulatory Board (ECRB) operates based on the Energy Community Treaty. As an institution of the Energy Community<sup>1</sup> the ECRB advises the Energy Community Ministerial Council and Permanent High Level Group on details of statutory, technical and regulatory rules and makes recommendations in the case of cross-border disputes between regulators.

ECRB is the independent regional voice of energy regulators in the Energy Community. ECRB's mission builds on three pillars: providing coordinated regulatory positions to energy policy debates, harmonizing regulatory rules across borders and sharing regulatory knowledge and experience.

## 2. Background

The Regional Initiatives for Gas<sup>2</sup> (GRI) are governed by ACER. The GRI South South- East (SSE) represents a well designed tool for meaningful participation of the regulatory authorities of the Energy Community Contracting Parties in ACER: it allows for identification of practical pilot projects between EU Member States and the Energy Community Contracting Parties that target the abolishment of barriers to cross border trade and facilitates implementation of the Third Package related Network Code / Guideline Regulations. ACER and GRI South South East (SSE)<sup>3</sup> recently started an initiative to include the Contracting Parties in the activities of GRI SSE<sup>4</sup>.

The ECRB decided to facilitate the Contracting Parties' participation in the GRI SSE pilot projects and selected several pilot projects to be included in the GRI SSE Work Program 2015-2018. One of these projects is targeting compliance with transparency requirements of the Energy Community *acquis* on interconnection points between the EU Member States and the Energy Community Contracting Parties. **The envisaged deliverable is a status report on transmission system operators' compliance with 3<sup>rd</sup> Package transparency requirements.**

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<sup>1</sup> [www.energy-community.org](http://www.energy-community.org). The Energy Community comprises the EU and Albania, Bosnia and Herzegovina, Macedonia, Kosovo\*, Moldova, Montenegro, Serbia and Ukraine. Armenia, Georgia, Turkey and Norway are Observer Countries. [\* Throughout this document the symbol \* refers to the following statement: This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence].

<sup>2</sup> [http://www.acer.europa.eu/Gas/Regional\\_%20Intiatives/Pages/Gas-Regional-Intiatives.aspx](http://www.acer.europa.eu/Gas/Regional_%20Intiatives/Pages/Gas-Regional-Intiatives.aspx).

<sup>3</sup> [http://www.acer.europa.eu/Gas/Regional\\_%20Intiatives/South\\_South-East\\_GRI/Pages/default.aspx](http://www.acer.europa.eu/Gas/Regional_%20Intiatives/South_South-East_GRI/Pages/default.aspx).

<sup>4</sup> Ref. presentation of Dennis Hesselting at 26<sup>th</sup> European Gas Regulatory Forum, 15-16.10.2014 (Madrid), presentation 03.A.01 available at: [http://ec.europa.eu/energy/gas\\_electricity/gas/forum\\_gas\\_madrid\\_en.htm](http://ec.europa.eu/energy/gas_electricity/gas/forum_gas_madrid_en.htm). including reporting on developments (ref. Electricity Working Group Work Program 2015).

### 3. Scope and methodology

The present report covers the Contracting Parties where a gas market is operational, namely **Bosnia and Herzegovina (Republika Srpska entity), FYR of Macedonia, Moldova, Serbia and Ukraine.**

Data presented in this report refers to **status quo** in **March 2016.**

Data and analysis provided in this report are based on information provided by the regulatory authorities of the analyzed markets via the questionnaire comprising all transparency- related provisions of Directive 2009/73/EC and the Regulation (EC) 715/2009.

## II. FINDINGS

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### 1. General overview

Tables 1 and 2 below provide information on compliance of gas market stakeholders of the Energy Community Contracting Parties with the transparency requirements of Directive 2009/73 EC and Regulation 715/2009. Links to the relevant publications as well as details on compliance with detailed provisions of Annex I of the Regulation 715/2009 may be found here:



Microsoft Office  
Excel Worksheet

Table 1 Implementation of transparency requirements of Directive 2009/73/EC

Relevant Art. of Directive 2009/73/EC	Short description of information that has to be published	Body responsible for publishing	Bosnia and Herzegovina	FYR of Macedonia	Moldova	Serbia	Ukraine
13(3) Tasks of transmission, storage and/or LNG system operators	Terms and conditions, including rules and tariffs, for the provision of balancing services by the TSOs	TSO ; NRA methodology for charges	√	√	nap	√	√
23(1) Decision- making powers regarding connection of storage facilities, LNG regasification facilities and industrial customers to the transmission system	Procedures and tariffs for connection of storage facilities, LNG regasification facilities and industrial customers to the transmission system	TSO	√	x	√	√	√
32(1) Third- party access	Transmission, distribution and LNG tariffs or methodologies, where only methodologies are approved	TSOs, DSOs, LNG operators, NRAs	√	√	√	√	√

Table 2 Implementation of transparency requirements of Regulation 715/2009

Relevant Art. Of Regulation 715/2009	Short description of information that has to be published	Body responsible for publishing	Bosnia and Herzegovina	FYR of Macedonia	Moldova	Serbia	Ukraine
Art.3 Certification of TSOs	Decision on TSO certification, and, in case the decision different from the opinion of the ECS, the reasoning underlying such decision	NRA	X	X	X	X	X
Art.15 Third- party access services concerning storage and LNG facilities	Data on the use and availability of services, in a time-frame compatible with the LNG and storage facility users' reasonable commercial needs	LNG and SSO operator	nap	nap	nap	X	√
Article 16 (2) Principles of CAM and CMP concerning TSOs	Capacity allocation mechanisms	TSO	√	√	x	√	√

Relevant Art. Of Regulation 715/2009	Short description of information that has to be published	Body responsible for publishing	Bosnia and Herzegovina	FYR of Macedonia	Moldova	Serbia	Ukraine
Article 16 (3) Principles of CAM and CMP concerning TSOs	Congestion management procedures	TSO	√	√	x	√	√
Article 17 (2) Principles of CAM and CMP concerning storage and LNG facilities	Capacity allocation mechanisms	LNG and SSO operator	nap	nap	nap	x	√
Article 18(1) Transparency requirements concerning TSOs	Detailed info. regarding services offered and the relevant conditions applied, technical information necessary for network users to gain effective network access	TSO	√	√	x	√	√



Relevant Art. Of Regulation 715/2009	Short description of information that has to be published	Body responsible for publishing	Bosnia and Herzegovina	FYR of Macedonia	Moldova	Serbia	Ukraine
Article 18(2) Transparency requirements concerning TSOs	Reasonably and sufficiently detailed information on tariff derivation, methodology and structure	TSO or NRA	√	√	X	√	√
Article 18(3) Transparency requirements concerning TSOs	Info. on technical, contracted and available capacities on a numerical basis for all relevant points including e/e points on a regular and rolling basis, in a user-friendly and standardized manner	TSO	X	X	X	X	√ (but only for interconnection points)
Article 18(6) Transparency requirements concerning TSOs	Ex- ante and ex- post supply and demand information, based on nominations, forecasts and realized flows in and out of the system	TSO	X	X	X	X	X

Relevant Art. Of Regulation 715/2009	Short description of information that has to be published	Body responsible for publishing	Bosnia and Herzegovina	FYR of Macedonia	Moldova	Serbia	Ukraine
Article 18(7) Transparency requirements concerning TSOs	Measures taken as well as costs incurred and revenue generated to balance the system	TSO	X	X	X	X	√
Article 19 (1) Transparency requirements concerning storage and LNG facilities	Info. regarding services offered and the relevant conditions applied, technical information necessary for new LNG and storage facility users to gain effective network access	SSO and LNG operator	nap	nap	nap	X	√
Article 19 (2) Transparency requirements concerning storage and LNG facilities	Info. on contracted and available storage and LNG facility capacities on a numerical basis, on a regular and rolling basis and in a user- friendly standardized manner	SSO and LNG operator	nap	nap	nap	no	√
Article 19 (4) Transparency requirements concerning storage and LNG facilities	The amount of gas in each storage and LNG facility, inflows and outflows, and the available storage and LNG facility capacities, including for those facilities exempted from TPA.	SSO and LNG operator	nap	nap	nap	no	√

Relevant Art. Of Regulation 715/2009	Short description of information that has to be published	Body responsible for publishing	Bosnia and Herzegovina	FYR of Macedonia	Moldova	Serbia	Ukraine
Article 19 (5) Transparency requirements concerning storage and LNG facilities	Sufficiently detailed information on tariff derivation, the methodologies and the structure of tariffs for infrastructure under regulated TPA	SSO and LNG operator or NRA	nap	nap	nap	√	√
Article 21(2) Balancing rules and imbalance charges	Calculation methodology for imbalance charges as well as final tariffs	TSO or other competent authority	x	√ (calculation methodology)	x	√ (calculation methodology)	√ (calculation methodology)

## 2. Summary of findings

In general, primary and secondary legislation setting the rules for gas market functioning in Serbia and Ukraine provide a solid background for fulfilling transparency requirements of both Directive 73/2009 and Regulation 715/2009. Nevertheless, the unbundling of transmission system operator in both countries has not been finalized and many activities envisaged by the network code are not yet performed. Having in mind that majority of secondary legislation in Ukraine is implemented only as of 2016, the full implementation of transparency requirements is still pending. Primary and secondary legislation implementing 3rd Package in other analyzed Contracting Parties (Bosnia and Herzegovina, FYR of Macedonia and Moldova) is still under preparation and currently implemented transparency provisions are based on the existing gas market related rules.

## 3. Findings by Contracting Party

### **Bosnia and Herzegovina**

The transparency findings refer to the entity Republika Srpska and the relevant transmission system operator "Gas Promet".

Required information is currently published in accordance with methodology for calculation of transmission charges and transmission network code:

- procedures for connection,
- tariff methodology and applicable tariffs,
- capacity allocation mechanism and congestion management procedures,
- information on services offered by the transmission system operator as well as technical information necessary for access to the network,
- most of the technical information necessary for network users to gain effective access to the system, for all relevant points (technical capacity for flows in both directions, contracted firm and interruptible capacity, nomination and re-nomination, available capacity, actual physical flows), however not the relevant historical information,

The information that is still not published by the transmission system operator:

- planned interruptions of firm and interruptible capacity,
- Measured values of the gross calorific value or the Wobbe index
- Information regarding the transmission system (ref. Art. 3.4 of Annex I of the Regulation 715/2009).

### **FYR of Macedonia**

Required information is currently published in accordance with methodology for calculation of transmission charges, gas market rules and the transmission network code and relates to:

- tariff methodology and applicable tariffs,
- capacity allocation mechanism and congestion management procedures.

However the transmission system operator currently does not publish information as required by Annex I of the Regulation 715/2009.

### **Moldova**

Based on the Regulation on supply and use of natural gas, technical norms for transport networks of natural gas, only procedures and tariffs for connection are published. Also the applicable transmission and distribution tariff methodologies and the resulting tariffs are published.

Information required for access to the transmission network is not published.

### **Serbia**

Majority of the requirements of Directive 73/2009 and Regulation 715/2009 related to transparency of the transmission system operators have been fulfilled by publishing the transmission network codes. However there is still missing information on capacities offered, ex-ante and ex-post supply and demand situation, balancing measures and revenues. Network codes require such publications, however TSO unbundling process has not been finalized i.e. activities for which transparency is required are not yet performed.

The regulatory authority publishes all information on transmission tariffs and methodology for their calculation.

Transparency requirements of Annex I of Regulation 715/2009 are only partly fulfilled i.e. actual publications should be provided after the unbundling is finalized and the transparency platform is established.

### **Ukraine**

Majority of the requirements of Directive 73/2009 and Regulation 715/2009 related to transparency of the transmission system operators have been fulfilled. The information that is still missing is related to balancing measures and revenues and ex-ante and ex-post supply and demand situation.

Transparency requirements of Annex I of Regulation 715/2009 are partly fulfilled and the published information is related to:

- most of the technical information necessary for network users to gain effective access to the system, for all relevant points (technical capacity for flows in both directions, contracted firm capacity, available capacity, actual physical flows), however not the relevant historical information.

Information on actual physical flows on interconnection points is published regularly on ENTSOG Transparency Platform.



The information required by Art. 3.4 of Annex I of the Regulation 715/2009 is still not published by the transmission system operator.