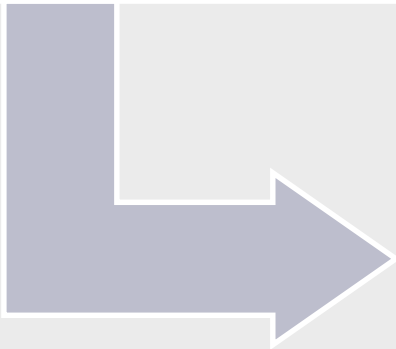*Network Codes in the Energy Community*

14th Energy Community Gas Forum

Ljubljana, 25 September 2019
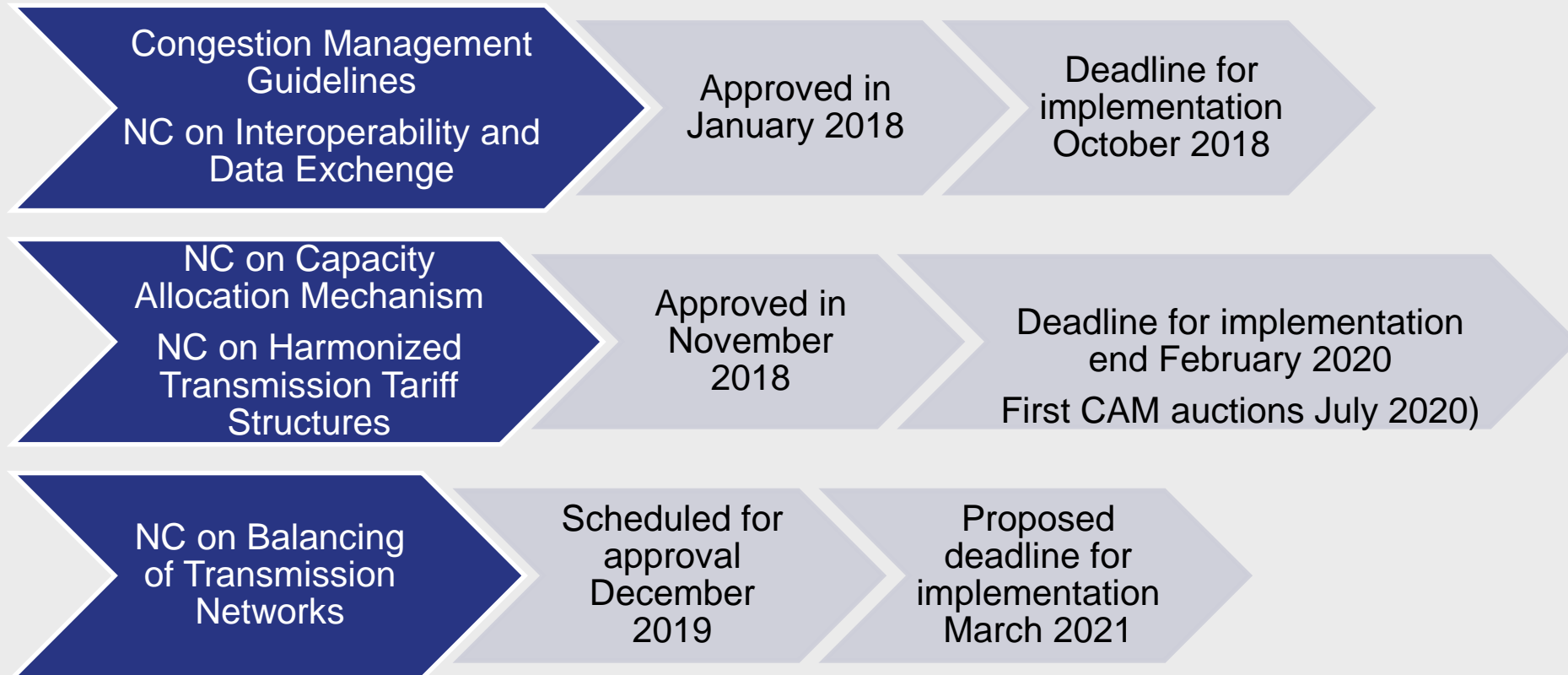
Content

Network codes in general
- Adoption
- Transposition
- Implementation

NC on Interoperability and Data Exchenge
- Results of the Secretariat's analysis of how TSOs implemented chapters II to V

Adoption and deadlines

Energy Community

Congestion Management Guidelines / **NC on Interoperability and Data Exchange**	Approved in January 2018	Deadline for implementation October 2018
NC on Capacity Allocation Mechanism / **NC on Harmonized Transmission Tariff Structures**	Approved in November 2018	Deadline for implementation end February 2020 / First CAM auctions July 2020)
NC on Balancing of Transmission Networks	Scheduled for approval December 2019	Proposed deadline for implementation March 2021

Transposition and implementation

- ***Transposed: Albania (IO, CMP), Ukraine (partly)***

- ***Directly applicable: North Macedonia***

- ***In the pipeline: Moldova***

- ***No gas: Kosovo*, Montenegro***

- ***Exempted: Georgia***

- ***Lack of legal competences (for NRAs): Serbia, Bosnia and Herzegovina***

Implementation of Regulation 2015/703

Implementation of chapters II to V of Regulation (EU) 703/2015 establishing a network code on interoperability and data exchange rules in the Energy Community

Energy Community Secretariat

March 2019

- ❑ *Background, scope and methodology*
- ❑ *General observations*
- ❑ *Findings on:*
- ❖ *Interconnection agreements*
- ❖ *Units*
- ❖ *Gas quality and odourisation*
- ❖ *Data exchange*
- ❑ *Case study UA-MD*
- ❑ *Recommendations*

Background, scope and methodology

Contracting Party Interconnection Points

- ❑ *ECS to monitor how TSOs have implemented Chapters II to V of the IO NC and report to the PHLG 6 months after expiry of the deadline for transposing and implementing*

- ❑ *The report covers 20 interconnection points*

- ❑ *Information provided by the TSOs (adapted ENTSOG questionnaire)*

General observations

❑ ***Legal shortcoming:*** *lack of binding applicability of IO NC on IPs between Contracting Parties and EU Member States*

❑ *None of the Contracting Parties have notified transposition of IO NC to the Secretariat*

❑ *TSOs' information obligation fulfilled after the Secretariat's request*

❑ *Role of regulators*

Interconnection agreements

❑ ***Concluded for 7 IPs,*** *before the IO NC was a legal obligation*

	UA-PL Hermanowice	UA-SK Budince	UA-HU Beregovo-Beregdaroc	UA-HU Beregdaroc	UA-RO Orlovka-Isaccea I	RS-HU Horgos - Kiskundoroszma	RS-BA Zvornik
When was the IA signed?	2012	2014	2015	2015	2016	2017	2017
When were the IA mandatory terms amended or replaced the last time?	July 2017: new technical-operational agreement for gas metering station, capacities were specified	September 2016: increase of capacities in direction SK-UA	New amendment expected to be completed in April 2019	New amendment expected to be completed in April 2019	December 2018	There were no amendments to IA since it was signed	There were no amendments to IA since it was signed

❑ *Rules for flow control, measurement principles, rules for the matching process as well as the rules for allocation of gas quantities* **applied to the great extent**

❑ *Procedures on information in case of exceptional event set;*

❑ *Applicable law and court of jurisdiction specified;*

❑ *Amendment process defined*

Units

□ ***Common set of units and reference conditions,*** *as required by IO NC, applied only for 6 out of 20 IPs:*

- Drozdovichi – Drozdowicze (Ukraine-Poland)
- Hermanowice (Ukraine-Poland)
- Budince (Ukraine–Slovakia)
- Beregovo – Beregdaroc (Ukraine-Hungary)
- Beregdaroc (Ukraine-Hungary)
- Orlovka - Isaccea I (Ukraine-Romania)

□ *Additional units also defined for Ukrtransgaz IPs*

□ *Srbijagas applies different units and reference conditions at its IPs:*

• Horgos-Kiskundoroszma (Serbia-Hungary): LCV 25/20,

energy in Sm3 (KJ and Kcal)

• Zvornik (Serbia-Bosnia and Herzegovina): LCV 15/15,

energy in Sm3 (KJ).

Gas quality and odourisation

❑ *Cross- border trade restrictions due to gas quality differences did not occur so far;*

❑ ***Short- term gas quality monitoring:*** *majority of TSOs do not publish Wobbe- index and GCV on their web pages on hourly basis. However:*

• *ENTSOG publishes daily for flows between Ukrtransgaz and neighboring EU MS TSOs, in the direction from UA to EU*

• *Srbijagas publishes once a day on its web page*

❑ ***Short- term gas quality variation****: Srbijagas, Gas Promet and Ukrtransgaz defined the lists of parties entitled to receive such an information and provide the information once a day.*

❑ ***Cross- border trade restrictions due to differences in odourisation****: never occured; odourisation done at the interfaces between transmission and distribution networks*

Data exchange

❑ *TSOs of the Contracting Parties do not use data exchange solutions envisaged by IO NC (except Ukrtransgaz for 3 IPs with EU MS);*

❑ *Existing data exchange solutions allowed if compatible with security and availability requirements of IO NC and Regulation 715/2009 → TSOs of the Contracting Parties did not provide evidence of compatibility with these standards.*

❑ *IO NC requires that existing solutions are consulted with network users and approved by NRAs → it was not the case in the Contracting Parties*

❑ *Ukrtransgaz reported a documet- based exchange (AS4) at 3 IPs, e-mail communication for other*

❑ *Other TSOs use e- mails, daily reports or telephone calls.*

Case study- IA between UA and MD

❑ **Problems:**

• multiple state border crossings and

• retail supplies delivered from the pipelines of another country

❑ **Technical assistence by the Secretariat**, delivered in November 2018, delivered a concept that:

• Reduces the number of connection points where capacity bookings take place and

• Enables efficient supply of retail customers in areas isolated from national networks

❑ Ukrtransgaz, Moldovatransgaz and Tiraspolgaz agreed on the proposed model, with **targeted deadline for IAs on 1st July 2019- this did not happen.**

Recommendations

- ❑ *Contracting Parties to transpose IO NC without delay and notify ECS;*

- ❑ *Transmission system operators to:*

- ❖ *bring in line existing IAs with IO NC and notify their NRAs on adjustments;*

- ❖ *conclude IAs for all remaining IPs;*

- ❖ *implement common set of units and reference conditions;*

- ❖ *improve information provision and publication of short- term quality variation and*

- ❖ *consult with network users on data exchange solutions and obtain approval of the NRAs before their application.*

- ❑ *NRAs to take responsibility over supervising the implementation of the IO NC in the scope of their general obligation to monitor implementation of rules relating to roles and responsibilities of TSOs*

Thank you
for your attention!

branislava.marsenic@energy-community.org

www.energy-community.org