Implementation of SoS regulation issues for TSO

September 22nd 2016

Construisons le transport de demain

1. **Context in France**
2. Prevention stage
3. Key operationnal factors

Role and responsibilities

- Competent authority : ministry in charge of energy
- Responsibilities related to SoS shared between authorities, gas suppliers and infrastructure operators (in particular TSOs and DSOs)
- Information obligation
  - All infrastructure operators shall inform the market : publish information on flows, capacities and maintenance
  - All infrastructure operators and suppliers shall inform authorities in case of detection of a crisis situation (real or potential)
    ⇨Take part to the risk detection mechanism of supply crisis set in place, when necessary, by authorities.

Public Service Obligations (simplified)

- Shippers responsible of Supply
  - Having alternative sources in case of a supply disruption
  - Supply customers in case of a peak cold period and cold winter happening statistically once every 50 years .
  - For households, customers of “general interest” and non interruptible customers ;
- TSOs and DSOs obligations
  - Ensure gas transmission
    - Even in the case of extreme climatic conditions : cold winter and peak period happening statistically once every 50 years
    - For households, customers of “general interest” and non interruptible customers ;
- TSOs obligations
  - Ensure at any time network safety and efficiency and gas flows balancing
    - But balancing obligation of gas flows cannot be considered as a supply obligation
  - Last recourse supply to customers of “general interest” during 5 days
- NB : PSO are covering obligations of regulation 994

1. Context in France
2. **Prevention stage**
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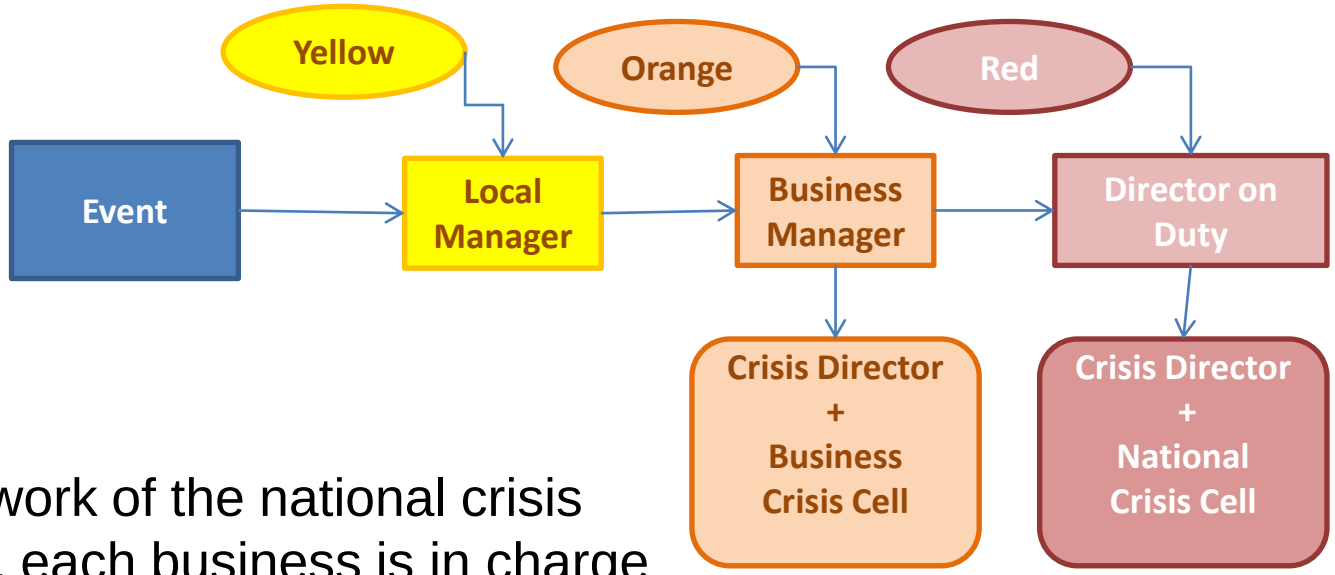
TSO preparation to emergency situation

- Prevention stage :
  - Infrastructure design :
    - Reinforcement of network (pipelines / compressor stations) according to PSO and market demand
    - Redundancy policy (on compressor stations...)
  - Market information : on risks, limits of the network, assumptions, congestions, balancing situation
  - Alerting authorities
  - Design tools, in the framework of Network Codes : contracts, operational agreements, action on PEG, locational products, security stock
  - Design IT software for dispatching : linepack simulation...
  - Prepare : organisation, procedures, test
- Management stage
  - Daily use of tools : procedures for Dispatching (national and local)
  - Organisation
  - Crisis response : alert system, crisis cell...

Focus on GRTgaz crisis organisation

- Organisation set in place to deal :
  - with all range and kind of crises, including supply crisis
  - 7/7, 24/24
- Graduation



- In the framework of the national crisis organisation, each business is in charge of evaluating and managing the risks caused by its activities (including detection, alert and crisis management up to orange level)
- Examples regarding gas supplies
  - **Orange** : Force Majeure on Entry Point
  - **Red** : shut down of customers / requirement of Emergency Plan (PUG)

1. Context in France
2. Prevention stage
3. **Key operationnal factors**

Key operationnal factors

- Create & keep clear schemes of responsibilities
  - Need consistency among regulations, laws etc... (important when changing laws)
  - Leave tools to operators to cope with their responsibilities
- Test of crisis procedures
  - Taking into account the whole decision chain
  - Importance to test in common (authorities and operators)
- Relation with market payers
  - Transparency : disclose relevant information as early as possible
  - Rely on market : market tools shall be used as long as possible (depending on liquidity…)
  - Define clear rules and clear priority of measures in order to facilitate management of supply disruption in coordination with authorities and market

Focus on GRTgaz Training

- Exercises involving national crisis cell conducted twice a year (all kinds of scenario, not only SoS)
- Some recent exercises with supply disruption scenario :
  - 2013 : scenario of supply disruption leading to the shut down of industrial customers
  - 2014 : common scenario with RTE (French electricity TSO) coupling supply crises on gas and electricity networks
  - 2015 : 2 days on a long lasting supply crisis scenario in common with French authorities at national and local level, and all French infrastructure operators
- Invite other operators (to share best practice) and authorities in crisis cell (to improve coordination)
- To implement SoS reg. training with national authorities is essential :
  - From theory to practice
  - Trust, better understanding of other parties needs
  - No practice in real gas supply disruption
  - Excellent feedback from 2015 exercise

Focus on actions towards market

- GRTgaz Winter-outlook
  - Annual publication since winter 2012/13
  - Forecast of tensions on gas network
  - Explaining vigilance mechanism

- Vigilance Mechanism
  - Published daily on website
  - Including recommendations to market (when necessary)
  - Warnings occurring every winter since 1st winter of implementation
    - 2012/13 : 3 alerts
    - 2013/14 : 12 bottelneck + 2 balance coverage – all orange
    - 2014/15 : 11 bottelneck + 9 balance coverage – all orange
    - 2015/16 : 14 bottelneck (including 3 red level)

- Month ahead vision
  - In winter only,
  - Internal tool : not published
  - Purpose : alert the market and authorities on risks for following weeks

VIGILANCE MECHANISM
IDENTIFICATION MECHANISMS OF STRAIN SCENARIOS ON (

Network strain situations

Caption			
	No current warning	Orange warning	Red warning

Network strain situations	03/08/2016	03/09/2016	03/10/20
South-East Bottleneck			
West-East Bottleneck			
North Bottleneck			
Balance coverage			

Comments

http://www.smart.grtgaz.com/fr