

***ERGEG workshop on Gas Balancing FG  
12<sup>th</sup> October – Item 3***

***Eurogas Views on Balancing Rules***

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Eurogas supports the development of a level of harmonisation of balancing systems across EU transmission networks that supports competitive gas markets and benefits consumers.

## Eurogas

- has distributed a Position Paper
- signed up to the short statement with other stakeholders on gas balancing rules at the Madrid Forum
- is finalizing its response to ERGEG's Consultation

## **1-6\* Policy objectives, problem identification and scope**

- The key principles underlying TSOs' balancing regimes should be harmonized to the extent possible in support of a competitive gas market.
- Eurogas agrees that in general the correct issues are discussed in the impact assessment (IIA).
- Eurogas supports the proposed structure of a target model with interim steps. Target models should be clearly focused.
- The scope should include: TSO gas procurement, definition of market based balancing, balancing period, transparency, timely data provision (metering/allocation), TSO coordination with neighbouring system operators (including DSOs), the desired level of harmonisation and the application of transitional measures.

\* Chapters in the IIA

## 7 Role of network users and TSOs

- Eurogas agrees that network users should be primarily responsible for matching their system inputs and outputs during the relevant balancing period, with the objective of minimising the TSO's role in balancing activities.
- The TSO should be responsible for the residual balancing of the system.

## 8 Information provision

Shippers need user friendly online access sufficient to allow them to balance their portfolios

- detailed balancing and/or line pack status near real time
- the aggregate balancing status of the system
- real time information on the volumes and prices for TSO balancing systems
- timely and reliable data on allocation in respect of their non-daily metered customers

TSOs and DSOs have to co-operate in order to provide the needed information.

## 9 Balancing period

- Daily balancing should be the preferred standard structure with permitted flexibilities as appropriate.
  - Target model of daily balancing with end of day cash-out and end of day imbalance charges only.
  - TSOs allowed tools to work with shippers to maintain system balance within-day e.g. locational bids, flow rate restrictions.
- Transitional measures as needed due to significant physical constraints and/or implementation costs
  - Allow flexibility in design of interim models, including to maintain positive developments in existing systems.
  - Subject to approval by NRA with regular review.
  - In a few systems a move to the target model may be prohibitive in the long term.
- A common time zone reference for the definition of a common gas-day around Europe should be adopted as far as possible.

## 7, 10 Market-based procurement

- The TSO must use market-based methods to procure energy for residual balancing.
- As a target model Eurogas has a long-term preference for procurement on a centrally cleared within-day trading market which can also be used by network users.
- Where this is not possible, a range of interim measures could be used based on actual market development e.g.
  - A separate dedicated balancing market
  - Longer-term procurement via tendering

## 11 Imbalance charges

- TSOs should set out transparent charging procedures, which specify exactly when and under what circumstances shippers will be charged for each imbalance component.
- Imbalance charges will need to be market and cost reflective and should ideally be based on marginal prices in the local balancing market.
- Eurogas generally supports the proposed target model and interim steps.