



## **ERGEG Public Consultation Draft Pilot Framework Guideline on Gas Balancing rules CEDEC Position Paper**

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CEDEC defends the interests of local and regional energy companies at European level.

CEDEC represents more than 1500 companies with a total turnover of about 100 billion Euros. Together, they serve 60 million electricity and gas customers.

These predominantly medium-sized local energy companies have developed activities as electricity and heat generators, electricity and gas distribution system operators – including metering activities - and suppliers of energy and energy services.

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CEDEC attaches great importance to this public consultation and to the future recommendations. We limit our response to general remarks on the seven main chapters of the draft Pilot Framework Guideline :

### **1. Problem identification, scope, definitions, purpose, policy objectives and compliance**

We agree with the issues raised in the problem identification; however we would like to point out that gas balancing – and the issues associated with gas balancing is not limited to the TSO-level. The possible role of DSOs in the balancing as a whole needs to be taken in to account.

### **2. The role of network users and TSOs**

We agree that a harmonized approach between TSOs would strengthen the European gas market. However we would like to point out that the phrase “network users” is by many NRAs and by national law in the member states is used to identify costumers. Systems operators (private or public) are not seen as network users, but as system operators connected to the TSO grid. Unlike customers, they use the grid to transport gas and are responsible for balancing the TSO-grid.

### **3. TSO obligations on information provision**

A clear role for TSO is necessary in order to support the gas market. Also well defined roles and responsibilities for other systems operators (DSO's and private system operators) and consumers regarding the information to the TSOs would underpin this.

### **4. Balancing periods**

As stated in the first chapter, DSO can have their own balancing.

However, an hourly balancing period would require that every DSO has to make large investment in order to deliver the hourly data to the TSO. As TSO-balancing and DSO-balancing should use the same balancing periods, CEDEC prefers daily balancing in those cases where there is also DSO-balancing.

We would also like to point out that in some member states under extreme climatic conditions balancing is postponed in favor of security of supply to household and other vulnerable costumers.

### **5. TSO buying and selling of flexible gas and balancing services**

As stated in the third directive DSOs can have their own balancing. In order to serve the different markets we strongly believe that services must be independent for either the TSO- and DSO-level.

### **6. Imbalance Charges**

As mentioned in the third package, DSOs like TSO can have their own imbalance charges; however we believe that any system to calculate the charges should be based upon the same principals.

### **7. Cross-border cooperation**

Many DSO's service local markets, with local market conditions which have their own unique characteristic. Therefore cross border cooperation is at a DSO level less likely.

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