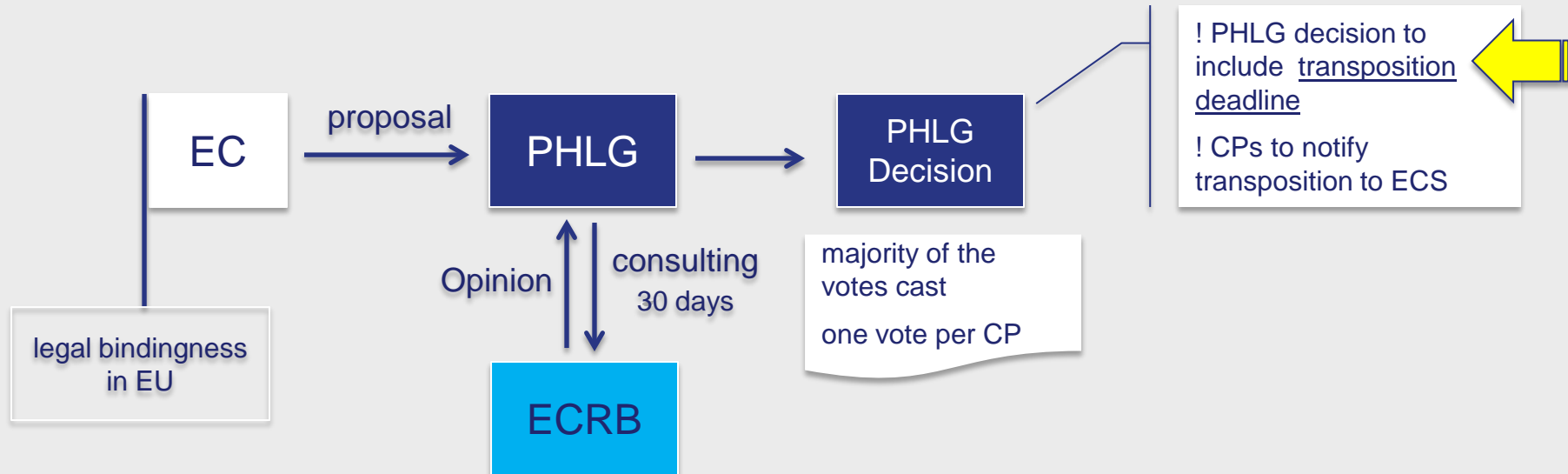




Implementing Gas Network Codes in the Energy Community

Concept

Re-cap: EnC NC adoption procedure



- **Legal basis:** Article 27 of MC Decision 2011/02/MC-EnC | Article 23 Gas Regulation (EC) No 715/2009 as adopted in the EnC
- **Standard adaptations** – replacing: EC → ECS | ACER → ECRB | MS → CP | **ENTSOG platforms (?)**
- **! Open issues:** implementation deadlines and “packages” | reciprocity | dispute resolution for CP-MS IPs

Including Gas NCs in the EnC acquis - concept

... in a *meaningful way* that:

1. addresses the CPs' ability to implement the NC provisions content and time wise → reflecting the development status of the CPs' gas markets; and thus
2. bases on EU experience related to:
 - Pre-conditions (market reforms) that need to be in place in the CPs' national gas markets for implementing NCs
 - Time allowed/needed for NC implementation
3. proposes a step-by-step implementation path that targets:
 - Possible implementation “packages” for each NC → which Articles are 1st, 2nd ... priority and interlink
4. adds realistic implementation deadlines for the implementation “packages” for each NC; but
 - does not lose sight of the final scope of implementing the *entire* NCs; and
 - leads to implementation of the NCs *not only* at CP-CP IPs but also at CP-MS IPs

Reciprocity is needed



- ! implementation of NCs on CP-CP IPs *only* (UA-MD and SR-BiH) will not justify the implementation effort and / or add value in terms of market integration
- minimum target (for the time being): *voluntary* commitment of EU NRAs / TSOs neighboring the CPs to apply gas NCs on MS-CP IPs (using existing NCs possibility to include IP to the third countries)
- *Formal* legal reciprocity needs to be addressed separately as part of legislative reforms, e.g.:
 - Eliminate CPs from NCs' "3rd country clause" once they implemented the relevant NC
 - Activate a "switch-on clause" once the relevant CP implemented the relevant NC
 - Closing the legal gap → "interconnector" definition | Dispute resolution on EU-EnC IPs ACER | ECRB – TPA exemptions | CBA

Relevant IPs

● EnC - EnC ● EnC - EU

#	IP-NAME/-LOCATION#
1#	Drozdovichi(UA)/-Drozdowicze(PL)-#
2#	Hermanowice(PL)/-(UA)#
3#	Uzhgorod-1(UA)/-Velké-Kapušany(SK)#
4#	Uzhgorod-2(UA)/-Velké-Kapušany(SK)#
5#	Uzhgorod-3(UA)/-Velké-Kapušany(SK)#
6#	Uzhgorod-4(UA)/-Velké-Kapušany(SK)#
7#	Budince(SK)/-(UA)#
8#	Beregovo(UA)/-Beregdaroc-1400(HU)#
9#	Beregdaroc-800(HU)/-Beregovo(UA)#
10#	GMS-Tekovo(UA)/-Mediesu-Aurit-(RO)#
11#	VIP-Mediesu-Aurit-Isacea-(RO)/-(UA)#
12#	Orlovka(UA)/-Isaccea-import-(RO)-#
13#	Orlovka(UA)/-Isaccea-I-(RO)#
14#	Orlovka(UA)/-Isaccea-II-(RO)#
15#	Orlovka(UA)/-Isaccea-III-(RO)#
16#	Oleksiiivka(UA)/-Alekseevka-(MD)#
17#	GMS-Grebnyky(UA)/-Grebnyky-(MD)#
18#	Kaushany(RU/MD)/-Kaushany(UA)#
19#	Kyustendil(BG)/-Zidilovo(MK)#
20#	Kiskundorozsma(HU)/-Horgoš-(RS)#
21#	Mali-Zvornik-(RS)/-Zvornik-(BH)#
22#	Ungheni-(RO)/-Ungheni-(MD)#



* IPs GR-AL and AL-IT will be relevant by the time of NCs implementation

Work approach

	what	who	when
1	Agreement on concept slides	ECS EC ACER ENTSOG	June
2	1st meeting – scope: – Concept – IO NC – Agree on further work approach	– ECS EC ACER ENTSOG – EnC and neighboring EU TSs – EnC and neighboring EN NRAs	7 July , Budapest
3	2nd meeting -IO NC - CMP	– ECS EC ACER ENTSOG – EnC and neighboring EU TSs – EnC and neighboring EN NRAs	21 September , Ljubljana
4	3rd meeting - CAM	– ECS EC ACER ENTSOG – EnC and neighboring EU TSs – EnC and neighboring EN NRAs	20 October , Vienna

NC implementation proposal – Overview

Proposed sequence of NC adoption

order	Topic	Legal act	Implementation steps
1	Interoperability _(IO)	Regulation (EU) 703/2015 of 30.04.2015	sequenced
2	Capacity Allocation Mechanisms (CAM)	Regulation (EU) 984/2013 of 14.10.2013	sequenced
3	Congestion Management Procedures _(CMP)	COM Decision of 24.08.2012 amending Reg (EC) 715/2009 Annex I (2012/490/EU)	In one step parallel to CAM NC 1 st phase implementation
4	Balancing _(BAL)	Regulation (EU) 312/2014 of 26.03.2014	sequenced

Implementation - timeline proposal

	2016					2017					2018					2019													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Congestion Management Procedures (CMP)	Stakeholders' discussions					◊ PHLG Decision					● ↓																		
Interoperability (IO)						◊ PHLG Decision																							
Chapter I General provisions											TRANSITIONAL					● ↓													
Chapter II Interconnection agreements																● ↓													
Chapter III Units																● ↓													
Chapter IV Gas quality and odourisation																					● ↓								
Chapter V Data exchange																					● ↓								
Chapter VI Final provisions																● ↓													
Capacity Allocation Mechanisms (CAM)						◊ PHLG Decision					NATIONAL SECONDARY LEGISLATION																		
Chapter I General provisions																● ↓													
Chapter II Principles of cooperation																● ↓					● ↓ Except provisions related to data exchange and calculation of technical capacity with the purpose to offer bundled capacity								
Chapter III Allocation of firm capacity																● ↓													
Chapter IV Bundling of cross-border capacity																					● ↓								
Chapter V Interruptible capacity																● ↓					● ↓ Except within day interruptible capacity								
Chapter VI Tariffs and capacity booking platforms																● ↓					● ↓ Except rules related to bundled products								
Chapter VII Final provisions																● ↓													
Balancing (BAL)						◊ PHLG Decision					NATIONAL SECONDARY LEGISLATION																		
Chapter I General provisions																● ↓													
Chapter II Balancing system																● ↓													
Chapter III Operational balancing																					● ↓								
Chapter IV Nominations						● ↓										● ↓ Except re-nominations intraday													
Chapter V Daily imbalance charges																● ↓													
Chapter VI Within day obligations																● ↓													
Chapter VII Neutrality arrangements																● ↓													
Chapter VIII Information provision						● ↓										● ↓ Only Articles 32.1, 32.2; 33; 37.2, 37.3													
Chapter IX Linepack flexibility service																● ↓													
Chapter X Interim measures						● ↓																							
Chapter XI Final and transitional provisions						● ↓																							