Network Code on Harmonised Transmission Tariff Structures for Gas
-implementation requirements in the EnC CPs

15th Energy Community Gas Forum
Content

Network codes in general
- Adoption
- Transposition
- Implementation

NC on Harmonised Transmission Tariff Structures for Gas
- Where do EnC CPs stand?
- What needs to be done?
- The role of the ECRB
## Adoption and deadlines

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15th EnC Gas Forum, 30 September-1 October 2020
Transposition and implementation

Transposition

- Albania (IO, CMP, CAM, TAR)
- Georgia (exempted, no IPs, BAL transposed)
- Moldova (IO, CMP, CAM, TAR)
- North Macedonia (directly applicable)
- Ukraine (IO, CMP, CAM, TAR, BAL)

Implementation

- Ukraine on the right way
- ECS Report on IO NC implementation (updated in May 2020)
- ECRB Report on congestions (later this autumn)
Entry- exit tariffs in EnC CPs

Moldova and North Macedonia
- entry-exit tariff methodology adopted
- temporary tariffs calculated on a yearly basis, but not for separate entries and exits

Serbia
- Entry-exit tariff methodology in place
- Tariffs for both TSOs calculated for all entries and exits

Ukraine
- Entry-exit tariff methodology in place
- Tariffs calculated for all entries and exits
- Many provisions of TAR NC implemented
What needs to be done?

- Capacity based tariffs, commodity only as an exception (flow-based charge or CRRC)
- Cost allocation assessment
- Capacity weighted distance reference price methodology (as default at least)
- More than one TSO-jointly applied RPM
- Link with CAM:
  - Reserve prices
  - Pricing of bundled capacity
  - Clearing and payable prices
- Consultation and publication requirements
Consultation and publication - keys to transparency

Periodic/final consultation (content)
- Description of the proposed RPM
- Allowed revenue(s), e-e split, capacity-commodity split, intr-system/cross-system split
- Info on commodity charge and non-transmission services
- Tariff comparisons (previous and future tariff periods)
- Simplified tariff model
- Consultation on multipliers, seasonal factors and discounts with all directly connected MSs and CPs

Periodic/final consultation (timeline)
- Final consultation opened for at least 2 months
- Consultation documents immediately forward to the ECRB for analysis
- ECRB has 2 months to send to the NRA/TSO and the ECS the conclusion of its analysis
- 1 month to publish consultation responses and their summary
- Within 5 months after the end of the final consultation, the NRA published a motivated decision and informs the ECRB and the ECS
- All to be concluded no later than 31 May 2021

Publication requirements
- Before the annual yearly capacity auction (for IPs):
  - Reserve prices, including multipliers and seasonal factors, with justifications, for firm and interruptible capacity; for the latter, also assessment of probability of interruption
- Before the tariff period:
  - Parameters for RPM, allowed revenue with all elements, year-to-year changes in allowed revenue, splits, infor on reconciliation if non-price cap regime applied, tariff comparisons (previous and future tariff periods), simplified tariff model
- Form of publication and notice period
Reporting and monitoring by ECRB and ECS

- Before 1 October 2021, the ECRB shall publish a report on methodologies and parameters used to determine allowed/target revenue of TSOs
  - NRAs to submit all necessary information

- ECS performs regular monitoring of how TSOs implemented TAR NC
  - TSOs to submit all information (for Chapter VIII Publication requirements, by 1 July 2020, for the rest- 31 December 2021)

- By end August 2022, ECRB shall publish a report on the application of reference price methodologies in the Contracting Parties
Thank you for your attention!

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