

16 May 2012

ACER – Agency for the Cooperation of Energy Regulators
Trg Republike 3,
1000 Ljubljana
Slovenia

Submitted by email to: FG-2012-G-007@acer.europa.eu

Dear Sir/Madam

Response to ACER's consultation document on interoperability and data exchange rules for European gas transmission networks

We are writing in response to ACER's consultation on its draft framework guidelines on interoperability and data exchange rules for European gas transmission networks. We are supportive of these guidelines, believing that ACER has captured the key high level principles to provide a steer for the drafting of the underlying network code with the aim of facilitating efficient gas trading and transport across transmission systems.

We attach our completed questionnaire on this consultation and would welcome the opportunity to discuss this topic and others relating to the development of a single European energy market further with you.

Yours faithfully



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Please provide the Agency with your full contact details, allowing us to revert to you with specific questions concerning your answers.

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1. Scope and application, implementation (Chapter 1 of the Framework Guidelines (the 'FG'))

1.1. Do you consider that the FG on interoperability and data exchange rules should harmonise these rules at EU level, as follows:

- a) At interconnection points only?**
- b) Including interconnection points and where appropriate points connecting TSOs' systems to the ones of DSOs, SSOs and LSOs (to the extent cross-border trade is involved or market integration is at stake)?**
- c) Other option? Please explain in detail and reason.**
- d) I don't know.**

We support option b.

1.2. Do you consider that for any of the above options the level of harmonisation¹ shall be (Section 1.b of the FG):

- a. Full harmonisation: the same measure applies across the EU borders, defined in the network code?**
- b. Harmonisation with built-in contingency: same principles/criteria are set with a possibility to deviate under justified circumstances?**
- c. No additional harmonisation, meaning rules are set at national level, if they deemed necessary by the national authorities, which may include either NRAs or the government?**

We support option b.

1.3 Shall any of the issues raised in the FG (Interconnection Agreement, Harmonisation of units, Gas Quality, Odourisation, Data exchange, Capacity calculation) get a different scope from the general scope as proposed in section 1.b. of the FG (and as addressed in the previous question)? Please answer by filling in the following table, ticking the box corresponding to the relevant foreseen scope.

| | IAs | Units | Gas Quality | Odourisation | Data Exchange | Capacity Calculation |
|-----------------------|-----|-------|-------------|--------------|---------------|----------------------|
| Full Harmonisation | X | X | X | X | X | X |
| Partial Harmonisation | | | | | | |
| Business as Usual | | | | | | |

***What additional measures could you envisage to improve the implementation of the network code?
Please reason your answer.***

We do not suggest any additional measures believing those proposed in the draft Framework Guidelines are adequate.

2. Interconnection Agreements

2.1. Do you think that a common template and a standard Interconnection Agreement will efficiently solve the interoperability problems regarding Interconnection Agreements and/or improve their development and implementation?

- a. Yes.***
- b. No.***
- c. I don't know.***
- d. Would you propose additional measures as to those proposed? Please reason your answer.***
- e. Would you propose different measures as to those proposed? Please reason your answer.***

We support option a.

2.2. Do you think that a dispute settlement procedure as laid down in the text will efficiently contribute to solving the interoperability problems of network users regarding Interconnection Agreements and their content?

- a. Yes.***
- b. No.***
- c. I don't know.***
- d. Would you propose additional measures as to those proposed? Please reason your answer.***
- e. Would you propose different measures as to those proposed? Please reason your answer.***

We support option a.

2.3. Do you think that a stronger NRA involvement in the approval of the Interconnection Agreements could be beneficial? Please explain in detail and reason.

- a. Yes.***
- b. No.***
- c. I don't know.***

We support option b. We believe that the draft Framework Guidelines achieve the right balance of NRA involvement in interconnection agreements through requiring the TSOs to establish the agreements but providing for some regulatory oversight in specifying that agreements must be provided to NRAs when established/amended and that NRAs may request to see them as they wish.

3. Harmonisation of Units

3.1. Do you think that there is a need for harmonisation of units?

- a. Yes.*
- b. No, conversion is sufficient in all cases.*
- c. I don't know.*
- d. Would you propose additional measures as to those proposed? Please reason your answer.*
- e. Would you propose different measures as to those proposed? Please reason your answer.*

We support option a.

3.2. What is the value added of harmonising units for energy, pressure, volume and gross calorific value?

- a. Easier technical communication among TSOs.*
- b. Easier commercial communication between TSOs and network users.*
- c. Both.*
- d. No value added.*
- e. I don't know.*
- f. Other views. Please reason your answer.*

We support option c.

3.3. Shall harmonisation be extended to other units? Please reason your answer.

In addition to harmonising units for energy, volume, pressure and gross calorific value, we propose that harmonisation be extended additionally to capacity. Such consistency would enable shippers to buy capacity in the same metric on both sides of the interconnection point, thus avoiding the need for conversion calculations and consequently should lessen the occurrence of errors.

4. Gas Quality

4.1. Please provide your assessment on the present proposal; in particular assess the provisions on ENTSOG gas quality monitoring, dispute settlement and TSO cooperation. Would these measures address sufficiently the issues that are at stake? Please reason your answer.

We support the current proposal as adequate and setting out essential steps towards greater market integration.

4.2. Do you consider that a technically viable solution to gas quality issues that is financially reasonable will most likely result from:

- a. Bilateral solution between concerned stakeholders.*
- b. Solutions to be developed cross-border by TSOs, to be approved by NRAs and cost-sharing mechanism to be established.*
- c. The establishment of a general measure in the Framework Guidelines, setting a comprehensive list of technical solutions to select from.*
- d. I don't know.*
- e. Other option. Please reason your answer.*

We support option b.

5. Odourisation

5.1. Please provide your assessment on the present proposal. Would the measure proposed address sufficiently the issues that are at stake? Please reason your answer.

We support odourisation of all gas across the EU as an important safety measure. However, we believe section 5 should be clarified to specify what is meant by “the Network Code shall ensure that odourisation takes place so as not to hamper cross-border trade by allowing physical cross-border flows of non-odourised gas, as a default rule.” As drafted, we are unclear as to whether the Network Code will require odourisation take place or whether, as per the latter part of the quoted sentence, cross-border flows of non-odourised gas will be permitted.

6. Data exchange

6.1. Please provide your assessment on the present proposal. Would the measures proposed address sufficiently the issues that are at stake? Please reason your answer.

We strongly welcome ACER’s proposal on data exchange and the factors ENTSOG will take into consideration in selecting a data exchange format. We believe the proposals are sufficient to address the issues, do not discriminate against smaller shippers and are pleased that the analysis will consider compatibility with other data formats and communication paths which should minimise disruption and costs to shippers’ systems.

6.2. Regarding the content of this chapter,

a. Data exchange shall be limited to the communication format.

b. Data exchange shall define both format and content, at least regarding the following points: _____ . Please reason your answer.

c. I don’t know.

d. Other option. Please reason your answer.

We support option b. We believe TSOs should make public at the interconnection points information regarding: gas flows in and out of the country, any maintenance issues, any outages, availability of capacity, prices and upcoming auctions.

6.3. ENTSOG may support the exchange of data with a handbook of voluntary rules. Please share your views about such a solution.

We support ENTSOG issuing a handbook to complement implementation of exchange of data; however, we question whether voluntary rules would offer a sufficiently robust framework, given their non-binding nature.

7. Capacity calculation – The Agency view is that discrepancy between the maximum capacities on either side of an interconnection point, as well as any unused potential to maximise capacity offered may cause barriers to trade.

7.1. Please provide your assessment on the present proposal. Would the measures proposed address the issues that are at stake?

We believe that ACER’s proposals will address the issues at stake.

7.2. Would you propose additional measures as to those proposed? Please reason your answer.

We believe the TSOs' pipe capacity, at either side of the interconnection point, should be the same so that they can hold the same volume and that this capacity should be freely offered to the whole shipping community.

7.3. Would you propose different measures as to those proposed? Please reason your answer.

No, we would not propose different measures and would highlight we welcome the requirement for ENTSOG to publish a report annually to ACER on capacity discrepancies and the measures taken to reduce those discrepancies.

8. Cross-border cooperation

8.1. Please provide your assessment on the present proposal.

We support ACER's proposal on cross-border cooperation and believe it covers the key points.

8.2. Do you have any other suggestions concerning cross-border cooperation? Please reason your answer.

As we note under question 6.3 we would highlight the potential limitations of issuing voluntary as opposed to binding rules. Over time we believe the goal should be for TSOs to agree and follow a uniform set of rules across the EU to facilitate cross-border trading and transport and to provide a level playing field.

9. Please share below any further comments concerning the Framework Guideline on Interoperability and Data Exchange Rules.

We have no further comments.