

# EU Gas Quality Update

BEIS-Ofgem EU Stakeholder Meeting

25<sup>th</sup> July 2018

Phil Hobbins

# Introduction

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- The purpose of these slides is to:
  - Provide a brief history of EU gas quality harmonisation
  - Remind GB stakeholders that this initiative is still progressing with no formal GB representation
  - Provide an update on recent activities and CEN's high level plan going forward

# EU Gas Quality Harmonisation

## A Brief History...

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- 2003: EU Second Energy Package
  - Third Party Access requirements
    - Gas that can be “*safely and technically conveyed*”
- 2007: EC mandate to CEN
  - “*...broadest possible range within reasonable costs*”
  - Cost-benefit analysis (CBA)
- 2011: GasQual consortium Wobbe Index (WI) impact assessment
- 2011-12: GL Noble Denton / Poyry CBA reports
- 2013: Non-combustion parameters assessment

# EU Gas Quality Harmonisation

## A Brief History...

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- 2014: Public consultation on draft standard
  - CEN unable to agree on a harmonised WI range
- 2015: Standard finalised as EN 16726:2015 without WI
- 2016: At the EC's request, ENTSOG investigated the impacts and issues associated with making the CEN standard legally binding
  - Oct 2016: At the Madrid Forum, EC announces that it
    - Does not propose to make the standard binding at this stage
    - Wants CEN to continue work to harmonise WI
    - Will revisit harmonisation when WI is included in the standard

## What has happened since 2016?

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- A new CEN working group was established, tasked with resolving the WI question
  - ‘Pre-normative’ phase (investigative, analysis phase)
  - ‘Normative’ phase (standardisation activities: consultation, adoption)
- GB does not have formal representation on this CEN working group
- National Grid has provided information via BSI & ENTSOG to assist with CEN’s work
  - UK gas quality specification
  - Historic UK CV and WI data

# CEN Activities

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- ‘Simple Scenario’ assessments
  - For 5 different WI ranges, what impact would stakeholders experience?
- ‘Integrated’ scenarios (i.e. fewer potential ranges, informed by the output of the ‘simple’ scenarios’) will subsequently be developed
- Regional WI ranges will be considered

# CEN's Forward Plan

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- Summer 2018: CEN public consultation on the 'simple' scenarios in Summer 2018
- October 2018: CEN submission to Madrid Forum
- December 2018: Final CEN report on the 'simple scenarios'
  
- Activities for 2019:
  - Development of 'integrated' scenarios
  - Cost-benefit analysis
  - Public consultation on WI proposals to be included in EN 167626
  
- If you wish to discuss EU gas quality with National Grid, please contact [philip.hobbins@nationalgrid.com](mailto:philip.hobbins@nationalgrid.com), 01926 653432

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# EU Data Exchange Update

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## EU Gas Network Codes 'Functionality Platform'

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- The purpose of this platform is to provide a way for market participants to raise an issue concerning an EU Gas Network Code / Guidelines
- The platform is co-managed by ENTSOG and ACER, with support from the Commission
- Live issues can be seen on the website
- Issues raised are assessed by ENTSOG and ACER
  - Validated (is the issue within scope of EU Codes/Guidelines)
  - Categorised (national, cross-border, regional, pan-European)
  - Prioritised (importance and urgency)

## Gas Network Codes 'Functionality Platform'

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- ACER and ENTSOG co-ordinate to develop a solution(s)
- Stakeholders are involved via workshop and/or consultation
- ACER and ENTSOG recommend and publish a solution(s)
- Further details on the process, including how to raise an issue, can be found on the platform website:  
<http://www.gasncfunc.eu>

# EU Data Exchange Issue

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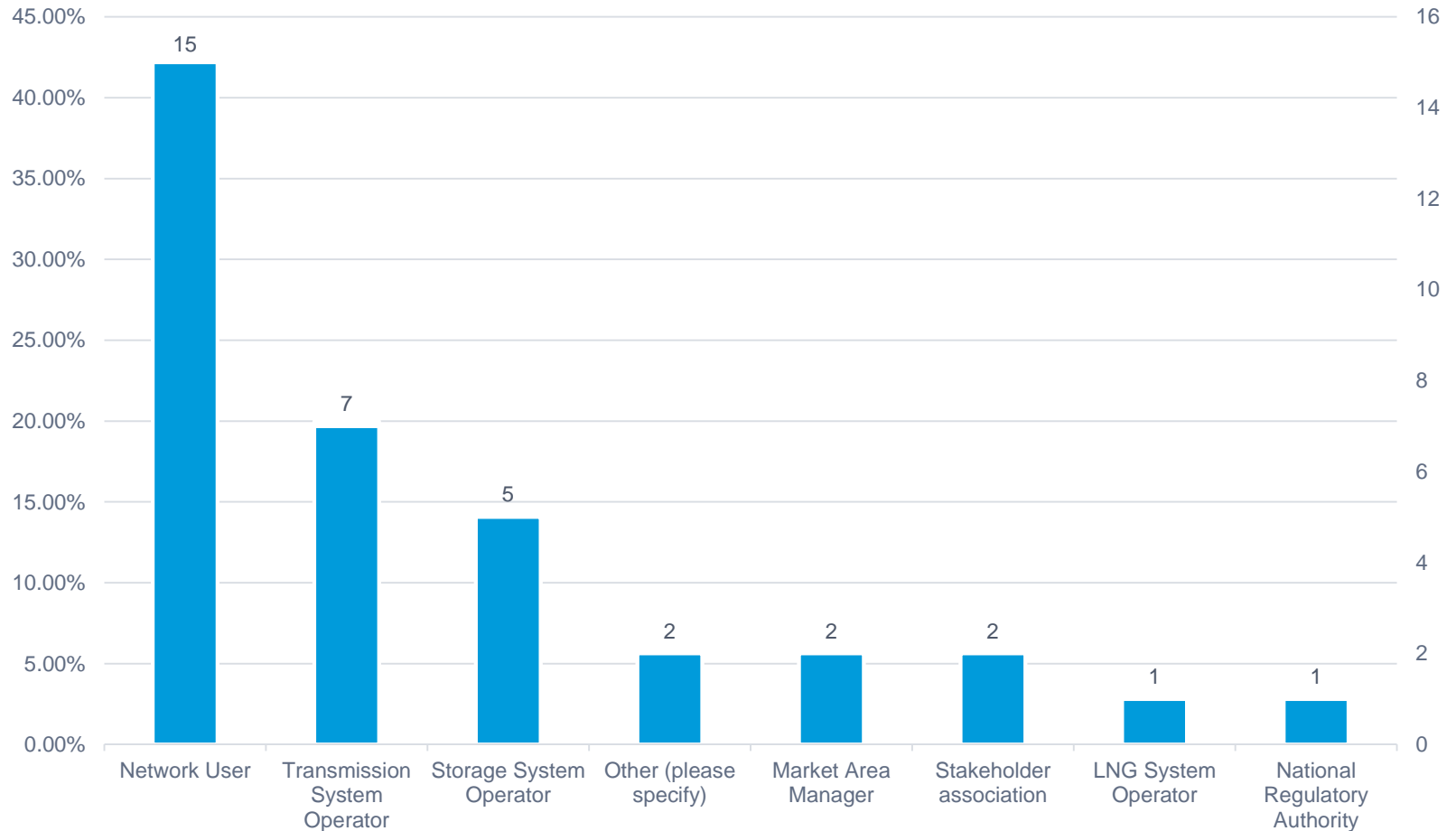
- One of the issues raised on the platform relates to the EU data exchange mechanism for nominations
- German shippers have reported that Market Area Managers (MAMs) and storage operators in Germany are making changes to the AS2 protocol and require shippers to adapt their systems accordingly
- The EU Interoperability Code establishes Edig@s-XML and the AS4 protocol at IPs and some shippers have implemented this
- These shippers want the MAMs and storage operators to make AS4 available at virtual trading points (VTPs) and storage sites
- ENTSOG and ACER assessed the issue in Spring 2018 as within scope of the functionality process (i.e. an EU wide issue not national)
- A potential solution is to amend the EU Interoperability Code to expand the mandatory application of EU data exchange solutions to include VTPs and storage sites

# ACER-ENTSOG Consultation

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- ACER & ENTSOG's consultation on this issue closed on 13<sup>th</sup> June 2018
- We discussed our response at the Transmission Workgroup meeting
  - It is published at <https://www.gasgovernance.co.uk/sites/default/files/ggf/2018-06/ENTSOG-ACER%20EU%20Data%20Exchange%20Consultation%20June%202018%20-%20NG%20Response.pdf>
- In our view, the mandatory EU-wide application of the 'Common Data Exchange Solutions' to VTPs and storage facilities from a common future date is likely to be uneconomic and inefficient
- We therefore argued that a national debate subject to NRA decision should be provided for in the solution, in line with other provisions in the EU Interoperability Code

# EU Data Exchange Consultation Responses



# EU Data Exchange Consultation – Outcome and Way Forward

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- The majority of stakeholders expressed a preference for harmonisation at VTPs, storage and other transmission entry and exit points
- ACER & ENTSOG will publish the consultation report this week
- We expect further EU level discussion on the solution in September
- If you wish to discuss this issue with National Grid, please contact [philip.hobbins@nationalgrid.com](mailto:philip.hobbins@nationalgrid.com), 01926 653432

Note: ENTSOG and EASEE-gas will jointly host a full day workshop on EU data exchange in Brussels on 4<sup>th</sup> October 2018. Further details will be communicated to GB stakeholders by National Grid in September.