

ERGEG's consultation - Existing transparency requirements for natural gas

EDF Response

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Who we are

EDF SA is a French corporation involved in generation of electricity and supply of electricity, gas and associated services to nearly 28 million customers in France. In 2009, it generated €34 billion sales, representing 400.4 TWh of electricity and 18.5 TWh of natural gas. With an installed electricity capacity of 98.7 GW, mainly nuclear and hydro, EDF SA is the leading provider of efficient and low-carbon energy solutions, with an average 40.8 g of CO₂ per kWh generated.

EDF SA is a new entrant on the French gas market. In addition to its gas supply activity, EDF is currently developing infrastructures projects in France and all over Europe : new storage facilities and new LNG terminals. EDF is also involved in the development of new combined cycle gas turbine (CCGT) and is thus interested on any EU guidelines concerning transparency.

Introduction

EDF welcomes the opportunity to answer this ERGEG consultation addressing the issue of transparency in gas. Harmonized binding rules at European level will allow for a fair and non-discriminatory level playing field for all stakeholders and will contribute fostering the integration of European gas markets.

Transparency is indeed an essential element for improving stakeholder's confidence in the market. Revised transparency requirements in gas networks (paragraph 3 of Annex 1 to the Gas Regulation) have just been adopted through comitology procedure. Investigating potential improvements in transparency regarding storage and LNG facilities is obviously a complementary process.

EDF therefore supports the content of the consultation document and the proposal to make transparency requirements binding for transmission, storage and LNG system operators. EDF considers that these requirements satisfy most of the needs of market participants despite sometimes necessary improvements at local level. EDF would also recommend to include all areas along the gas value chain and thus to introduce requirements for DSOs to cooperate with TSOs as well as requirements for gas production.

Do the existing legally binding and soon-to-be legally binding transparency requirements for transmission, LNG and storage satisfy your needs as a market participant ? In case your answer is no, please specify what is missing in your view and why.

The existing and coming legally binding transparency requirements for transmission, LNG and storage are necessary for a market participant.

For transmission, legally binding requirements are very complete and satisfactory.

Regarding LSOs and SSOs, binding transparency requirements are currently relatively limited and should include for the future the requirements listed in the Guidelines of Good Practices for LSOs and SSOs.

Moreover, we notice that binding requirements regarding the important information necessary for a market-based balancing mechanism to work efficiently are missing.

Are you satisfied with the current level of transparency provided for by system operators? In case your answer is no, please specify whether this is the case due to the lack of transparency requirements or the quality of publication.

The current level of transparency provided by TSOs in France is satisfactory even if some items could be improved, especially the description of operating rules (procedures in the event of an interruption of interruptible capacity, netting rules at cross border entry points, availability of capacity at the interface between storage and transmission network, etc.). In particular, EDF believes that it would also be very useful to publish by balancing zone:

- information on the intra-day consumption of the final customers benefiting from remote reading meter or, at least, those connected to the transmission network and
- information on the balancing market price associated to imbalances.

Shippers may also be interested to have information on the quality of the day-ahead allocations. On the other side, it may be helpful for TSOs to have information on the quality of the nominations made by shippers as well as tools to measure the state of the network on an intra-day basis (e.g. tension of the network indicator).

Regarding the SSOs, EDF would like more transparency on the price of the capacity and on the available capacity (i.e total storage capacity and the capacity dedicated for the TSO's missions).

Do the existing voluntary GGP for LNG System Operators and GGP for Third Party Access for Storage System Operators satisfy your needs as a market participant ?

The set of requirements of the existing GGP for LNG and storage system operators are currently sufficient to satisfy market participants' needs. However, EDF is now expecting to have information on how those requirements are going to be implemented. Moreover, EDF believes that the requirements related to LNG should clearly distinguish the infrastructures whose capacity has been granted an exemption from TPA from the other ones. Indeed, such requirements should not lead, in the case of exempted facilities, to the disclosure of commercially sensitive information or information that could hinder the value of the exempted investments.

Do you think that those transparency requirements in the GGP LNG and GGP SSO which are not covered by the 3rd Package should become legally binding ?

The transparency requirements in the GGP LNG and GGP SSO are absolutely necessary for an efficient market functioning. Even if those non-binding requirements are met by LSOs and SSOs, we believe that they should be made binding.

Do you think that the voluntary GGP for LNG System Operators and GGP for Third Party Access for Storage System Operators shall include further transparency requirements? In case your answer is yes, please specify what is missing in your view.

The level of transparency required in the GGP for LNG and storage system operators is satisfactory. Those GGP shall not include further requirements but shall just be made binding.

Is there an area along the gas value chain (production, transmission, LNG, storage, distribution, wholesale market) where in your view additional transparency requirements are needed? Please specify what you miss in your answer.

No additional needs.

Do you think that further transparency is required for the production (upstream) sector? If your answer is yes, please specify what is missing in your view, and what specific additional transparency requirements you would want to see? If your answer is no, please explain why.

EDF is of the opinion that transparency requirements should apply to the whole gas value chain including gas production following the example of power generation.

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