



26th November 2010

GSE response to:

10GSE083

ERGEG Public Consultation Paper
Ref: E10-GWG-68-03
8 September 2010
“Existing transparency requirements for
Natural gas”

Introduction:

GSE welcomes the opportunity to take part in ERGEG’s Public Consultation related to existing – binding and voluntary - transparency requirements for natural gas, regarding the evaluation of possible market needs for additional transparency requirements.

Although the questions within the consultation document seem to be primarily aimed for storage users, GSE, representing European storage operators, would also like to state the following from a general point of view:

GSE Position:

- **Upcoming 3rd Energy Package Implementation:**

According to the 3rd Energy Package the implementation of additional transparency provisions for SSOs is envisaged. The implementation has started but is not yet finished. Thus the actual survey cannot take into account these upcoming improvements. It might be expected that such a survey takes place before or after the set up of a new legal framework but not in the process of its implementation. We feel that this survey is therefore inconsistent with the Commission’s and Parliament’s intention and time schedule and cannot reflect the true market situation as it will be shaped by the 3rd Energy Package. Accordingly, especially the first and second question of the Public Consultation seem inappropriate.

Before making any conclusions out of the received responses to the Public Consultation, a transparent review, taking into account the awaited 3rd Energy Package implementation, will be necessary.



- **GGPSSO and AGSI have already been realized on voluntary basis:**

SSOs have always been committed to enhancing transparency for storage users on a voluntary basis. This is reflected *inter alia* through the implementation of the GGPSSO including major transparency provisions (Art 6), the creation of a GSE European Storage Map (http://www.gie.eu/maps_data/storage.html) and the set up of the GSE Aggregated Gas Storage Inventory (AGSI, <https://transparency.gie.eu.com/>). This information and tools are already today available for storage users and provide valuable information on the location, availability and actual use of storages within Europe. It is worth stressing that since its creation in 2007, the Aggregated Stock Inventory has been subject to continuous improvements as a result of which both the market coverage and the frequency of data publication has increased significantly leading to daily provision of storage data for around 80% of total European storage capacity.

The 3rd Energy Package made most voluntary publications legally binding. As one of the declared targets of the 3rd Energy Packages was to make GGPSSO legally binding, it is unclear why GGPSSO itself should become binding. The third and fourth question of ERGEGs Public Consultation therefore seem redundant. GSE is of the opinion that the voluntary work of European SSOs in the area of transparency should be given due recognition and should be further driven first and foremost by user's needs rather than an excessively rigid legal framework.

- **Necessary criteria for the evaluation of reasonable market needs for further transparency:**

GSE may state that a very high level of transparency has already been achieved and might even be improved after the implementation of the 3rd Energy Package. The market feedback to the GSE Aggregated Stock Inventory platform is very positive. It is worth noting that this tool is of value for a wide number of market participants, such as suppliers, traders, financial institutions and alike.

Given this background the evaluation of market needs for additional transparency requirements should take into reasonable consideration the following criteria:

- Practical use of data by market participants (i.e., required data type, granularity and form which will be used in practice)
- Data availability (i.e., what data is available and when to SSOs)
- Sensitivity of data (e.g., individual shipper data)
- Cost of implementation and maintenance (e.g., against benefits of real time data)



- **Improvement of data accessibility and aggregation instead of simple data collection:**

Transparency should not primarily focus on the disclosure of more data as such but on the value of the released information. The GSE Aggregated Gas Storage Inventory shows very well, that data, which is generally available for all users, but is aggregated in the right way, has added value. At the moment we endeavour to publish aggregated data on our platform and additionally give SSOs the possibility to publish their individual data on our platform (AGSI). Having one platform where users have access to all data we are convinced would offer highest accessibility and transparency value to the users.

Finally, it has to be stated that transparency should also be ensured by authorities and regulators. For instance, it is often unclear how the information gathered by authorities/regulators from market participants during public consultations is assessed and taken into account in decision making. GSE is of the opinion that any consultation carried out by the authorities/regulators should make explicit clearly defined criteria and to what extent such criteria need to be fulfilled to trigger a decision. As a reference tendering processes according to procurement provisions may be mentioned.