

EuroPEX Response to ERGEG public consultation
on
Existing transparency requirements for natural gas

24 November 2010

A proper design of basic transparency requirements is fundamental and should be implemented for a functioning internal market and for the development of effective and efficient market functioning. Moreover the measures that Member States should take in order to ensure a level playing field should be based on an appropriate regulatory framework defined at European level.

Harmonized transparency rules should facilitate an appropriate regulatory framework to guarantee fair competition, sufficient investment, access for new market entrants and the integration of gas markets.

The members of EuroPEX are strong supporters and enablers of gas market development, operating and integration, and look forward to applying their skills and experience with the aim of creating transparent, efficient, liquid and integrated European gas markets.

In consideration that at the current stage legally binding transparency requirements are most detailed for transmission system, EuroPEX would evaluate the market need for further transparency requirements with particular focus on balancing markets and Capacity Allocation Mechanisms (CAM) and Congestion Management Procedures (CMP) for effective Access to Storage.

With regard to the balancing regime, transparency of information is an important element of a well functioning market. In fact, network users shall be primary responsible for balancing their portfolios and must be able to redress deviations between their system inputs and off-takes by buying or selling gas on a spot market (either day ahead and/or intra-day). Moreover they shall be allowed to assist the TSO in restoring system balance by buying or selling gas on a spot market (either day ahead and/or intra-day). Therefore network users shall have access to accurate, near-real-time information with regards to the balancing status of their portfolios and of the system.

In this framework, EuroPEX considers that TSOs shall be responsible to ensure that network users have equal access to accurate, near-real-time information with regards to the balancing status of their portfolios and the transportation system. EuroPEX notes that bodies, independent from stakeholders where such information is derived, should be qualified to coordinate, support and publish information relating to the balancing regime (e.g. buying or selling gas by the TSO from network users, settlement prices, etc.). Such neutral bodies should include energy exchanges (also considering that TSOs should procure balancing resources in the wholesale markets) as they have the natural interest and competence to facilitate the accessibility of such information. Moreover energy exchanges are independent from market participants and TSOs because they do not have direct commercial interest in this type of information. In addition, their activities are internally supervised and typically subject to oversight by sectoral or financial regulatory entities.

EuroPEX recognises the current lack of available information which acts as a barrier to the functioning of the storage market. Therefore we support a broad interpretation of the high level principles as set forth in article 19 of Regulation 715/2009.

With regard to storage, transparency of information is a key aspect and SSOs should provide systems users with relevant information about the status of the storage system and individual positions on a timely basis. For similar reasons expressed for information regarding the balancing system, energy exchanges should be qualified publish timely and relevant information, given by SSOs, relating to the status of the storage system, prices and volumes, creating indices of capacity products.