

**OPINION OF THE AGENCY FOR THE COOPERATION OF ENERGY
REGULATORS No 04/2017**

of 9 February 2017

**ON THE ADOPTION OF COMMON NETWORK OPERATION TOOLS BY
ENTSOG**

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators¹, and, in particular, Articles 6(3) and 17(3) thereof,

HAVING REGARD to Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005², and, in particular, Articles 8(3) and 9(2) thereof,

HAVING REGARD to the favourable opinion of the Board of Regulators of 25 January 2017, provided pursuant to Article 15(1) of Regulation (EC) No 713/2009,

WHEREAS:

- (1) According to Article 6(3) of Regulation (EC) No 713/2009, the Agency for the Cooperation of Energy Regulators ('the Agency') shall provide an opinion on the documents referred to in Article 8(3) of Regulation (EC) No 715/2009.
- (2) According to Article 9(1) of Regulation (EC) No 715/2009, the Agency shall monitor the execution of the tasks referred to in Article 8(3) concerning the common network operation tools (the 'CNOTs') of the European Network of Transmission System Operators for Gas ('ENTSOG'), and report to the European Commission, while, according to Article 9(2), ENTSOG shall submit the CNOTs to the Agency for its opinion.
- (3) According to Article 8(3) of Regulation (EC) No 715/2009, '*the ENTSO for Gas shall adopt common network operation tools to ensure coordination of network operation in normal and emergency conditions, including a common incidents classification scale, and research plans*'.
- (4) Article 24(1) of Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a Network Code on Interoperability and Data exchange rules (the 'Interoperability and Data Exchange Network Code')³ provides that, for each data exchange requirement under Article 20(2) of the same Regulation, ENTSOG shall develop a common network

¹ OJ L 211, 14.8.2009, p.1.

² OJ L 211, 14.9.2009, p. 36.

³ OJ L 113, 1.5.2015, p. 13.

- operation tool in accordance with Article 8(3)(a) of Regulation (EC) No 715/2009 and shall publish it on its website, covering data exchange solutions for Congestion Management Procedures, Capacity Allocation⁴, Gas Balancing⁵, Interoperability as well as data collection under the Commission Regulation (EU) No 1227/2011^{6,7}.
- (5) The common data exchange solutions are set out in Article 21 of the Interoperability and Data Exchange Network Code, which outlines the type, the protocol and the format of the data exchange solution.
- (6) The availability of the common data exchange solution is ensured by Article 22(2) of the Interoperability and Data Exchange Network Code, which states that each transmission system operator (TSO) *'shall be responsible for ensuring the availability of its own system and shall (a) take appropriate measures to prevent that a single point of failure causes an unavailability of the data exchange system, including up to the network connection(s) with the internet service provider(s), (b) obtain the appropriate services and support from its internet service provider(s) and (c) keep the downtime, as a consequence of planned IT maintenance, to a minimum and shall inform its counterparties in a timely manner, prior to the planned unavailability'*.
- (7) In addition, Article 23(1) of the Interoperability and Data Exchange Network Code foresees that TSOs shall use and make available the common data exchange solutions defined in Article 21, *'depending on the data exchange requirements under Article 20(2)'*. Furthermore, Article 23(2) allows for the future use of the common data exchange solutions, already in place at the moment of the entry into force of the Interoperability and Data Exchange Network Code, subject to the TSOs' prior consultation of the network users and approval by the National Regulatory Authority.
- (8) Article 24(1) of the Interoperability and Data Exchange Network Code specifies that the common data exchange tool *'may also include business requirement specifications, release management and implementation guidelines'*,

⁴ Article 5(1) of Commission Regulation (EU) No 984/2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems provides that *'Transmission system operators shall coordinate the implementation of standard communication procedures, coordinated information systems and compatible electronic on-line communications, such as shared data exchange formats and protocols, as well as agree principles as to how this data is treated.'*

⁵ Chapter IV of Commission Regulation (EU) No 312/2014 establishing a Network Code on Gas Balancing of Transmission Networks requires a coherent information system for the nomination and re-nomination processes taking place at interconnection points.

⁶ Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity, (OJ L 326, 8.12.2011, p. 1).

⁷ At the same time, according to Article 10(3) of Commission Implementing Regulation (EU) No 1348/2014 ('Implementing Regulation'), the Agency shall establish procedures, standards and electronic formats based on established industry standards for reporting of information after consulting the relevant parties. ENTSOG shall comply with these established procedures, standards and electronic formats defined according to Article 10(3) of the Implementing Regulation. They are publicly laid down in the Manual of Procedures on transaction data, fundamental data and inside information reporting and published under https://www.acer-remit.eu/portal/custom-category/acer_remit_reporting_user_package.

HAS ADOPTED THIS OPINION:

The Agency welcomes the adoption of the ‘CNOTs’, in line with the provisions of Article 24(1) of the Interoperability and Data Exchange Network Code, which requires ENTSOG to develop a common network operation tool in the areas where data exchange requirements are identified in Article 20(2) of the same Network Code. The Agency recognises that ENTSOG has worked intensively to develop business requirement specifications for Nominations and Matching, Capacity Allocation Management and Congestion Management Procedures, and, as a result, the relevant requirements were ready on time to support the implementation of the respective network codes.

In April 2016, ENTSOG organised a first public consultation with stakeholders on the proposed Common Network Tools. Due to the high number of differing opinions of stakeholders, ENTSOG had to postpone the finalisation of the process and the publication of the full description of the common data exchange solutions, beyond its initial deadline of 1 May 2016. On 30 May 2016, ENTSOG informed the Agency about its suggestion to extend the deadline for the development and publication of the Common Network Operation tool to the end of October 2016. The Agency acknowledged that ENTSOG’s failure to comply with its obligations under Article 8(3)(a) of Regulation (EC) No 715/2009 was due to the difficulty in accommodating diverging views of stakeholders. The Agency observed that Article 24 of the Interoperability and Data Exchange Network Code grants ENTSOG limited flexibility to adopt more than one common data exchange solution per identified data exchange requirement. For this reason, between May and October 2016, ENTSOG finalised the CNOTs, while accommodating the diverging views of stakeholders, as follows:

- on 6 September 2016, ENTSOG organised a Data Exchange Harmonisation Workshop and debated key issues, such as the short-list of data exchange options that would be submitted to public consultation;
- after the Workshop, ENTSOG organised a second public consultation, from 7 to 30 September 2016, on the proposed common data exchange solutions;
- as an outcome of this second consultation, ENTSOG established final CNOTs with the relevant business requirement specifications for each identified data exchange, as requested by Article 24 of the Interoperability and Data Exchange Network Code;
- ENTSOG suggested optional solutions to resolve the debate between large and small market players. This is reflected in a non-binding section of the CNOT table (the last column). TSOs will be free to offer and negotiate with their counterparties the possible use of the optional solutions in addition to the standard solution.

Finally, on 7 November 2016, ENTSOG published the agreed CNOT table, while on 17 November ENTSOG issued a press-release announcing the finalisation of the CNOT process for each identified and relevant data exchange requirement⁸.

⁸ <http://www.entsog.eu/publications/data-exchange>

In any event, existing data exchange solutions may continue to apply, according to the provisions of Article 23(2) of the Interoperability and Data Exchange Network Code, subject to prior consultation with the network users and approval by the respective NRA⁹.

The Agency acknowledges the significant work undertaken by ENTSOG in developing the CNOTs. The Agency supports the process leading to the adoption of the CNOTs and highly recommends their use by the TSOs, in order to enhance the coordination of network operation, and facilitate appropriate and secure access to and exchange of information.

The Agency recalls that the recently developed CNOTs consist of three data exchange solutions: document-based, integrated and interactive data exchange. According to Article 21(1) of the Interoperability and Data Exchange Network Code, data exchange solutions may be implemented and used in a joint or individual manner, while, according to Article 21(2), common data exchange solutions comprise the protocol, the data format and the network.

The Agency finds that the document-based data exchange is the most appropriate solution for near real-time communication, the integrated data exchange for real-time communication, and the interactive data exchange for non-time critical communication.

ENTSOG has released data exchange solutions that satisfactorily address the stakeholders' concerns, while offering the legally required standard. The delay was justified both by the limited stakeholders' contributions and the diverging views of those participating in the process. While the second consultation still delivered limited input, the Agency is of the opinion that reasonable information has been collected to reach an acceptable data exchange solution. Furthermore, ENTSOG released and revised the Business Requirements Specifications, with reference to Nomination, Matching environment, Capacity Allocation Mechanism and Congestion Management Procedures¹⁰.

The Agency deems ENTSOG compliant with its obligations under Article 24(1) of the Interoperability and Data Exchange Network Code. The Agency underlines that the optional solution does not stand as a replacement of the commonly agreed standard, but is an additional communication possibility among TSOs, as well as between TSOs and Network Users.

The Agency draws the attention of ENTSOG to the fact that the periodical review of the CNOTs should be considered along with the evolution of technical processes and needs. Together with such a review, ENTSOG may consider to offer also release management and implementation guidelines to facilitate the adoption and the use of the common standard.


⁹ The Agency will follow up on the existing data exchange solutions which continue to apply, subject to NRA approval. A possible review of the CNOTs can be related to the outcome of this exercise. For example, German TSOs will continue to apply the current standard until 31 January 2018.

¹⁰ Business Requirements Specification for the Capacity Allocation Mechanism (CAM) Network Code and the Congestion Management Procedures (CMP) Guidelines, Version 18, July 26th 2016, http://www.entsog.eu/public/uploads/files/publications/CAM%20Network%20Code/2014/CAP0554_150113_CAM-CMP_BRS_version_2015-02-03_for%20public%20consultation.pdf
Business Requirements Specifications for the Nomination and Matching Procedures in Gas Transmission Systems (NOM BRS) Version 0, Revision 17 from June 22nd 2016, http://www.entsog.eu/public/uploads/files/publications/Balancing/BAL0453_150227_NOM-BRS_Rev12_for%20public%20consultation.pdf

The Agency plans to monitor and verify the implementation and use of the CNOTs at a later stage.

Done at Ljubljana on 9 February 2017.

For the Agency:


Alberto Pototschnig
Director