

**Suggestions and Proposals for the Implementation of COMMISSION
REGULATION (EU) No 312/2014 of 26 March 2014, establishing a Network
Code on Gas Balancing of Transmission Networks**



EFET comments – 25 May 2015

The European Federation of Energy Traders (EFET¹) welcomes the opportunity to respond to the consultation on the **Network Code on Gas Balancing of Transmission Networks** (NC BAL).

The Balancing Network Code includes provisions for interim measures to be applied over a 5 year period as a transition towards implementation of the full balancing obligations. Such interim measures, which include the introduction of tolerances, balancing platforms and interim imbalance charges, are specifically intended to mitigate concerns about excessive balancing costs and the difficulties associated with TSOs undertaking balancing actions in less mature and liquid markets. Whilst respecting the decision not to resort to interim measures, we are concerned that certain aspects of these proposals may be less effective than implementing interim measures in mitigating these concerns and appear, on the face of it, not to compliant with the spirit or letter of the Balancing Network Code.

Overall we struggle to see how the proposed changes are expected to encourage self-balancing through trading of gas. In particular, with respect to the suggested line pack flexibility service, we struggle to see how this could be deemed compliant with article 44 (1) d of the NC BAL. We understand this service to be contracted along with entry and/or exit capacity, its costs to be included in the respective regulated tariffs. In our view this means that network users without the need for such service – because they do not have a balancing risk for example – would not be able to not contract it while being charged for the costs incurred by the provision of it. This setup is clearly violates the provisions of the NC BAL concerning line pack flexibility services.

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent, sustainable and liquid wholesale markets, unhindered by national borders or other undue obstacles. We currently represent more than 100 energy trading companies, active in over 28 European countries. For more information, visit our website at www.efet.org.

Finally, we would welcome the opportunity to meet in person with ERO representatives to discuss in more detail the issues above and to explore ways in which we can constructively contribute to the dialogue that will be necessary for the implementation of Balancing Network Code to be successful.

We thank you for your kind attention and remain available for further comments.