

EU Tariffs Code Update

February 2016

EU Tariff Code Update

■ Recent meetings:

- **15, 19 Jan 2016:** Trilateral meetings between EC, ACER & ENTSOG on potential changes to TAR NC
 - 25 Jan cancelled due to EC rejection of IA
- **12 & 26 January 2016:** ENTSOG Tariff WG with EC in attendance
 - Commission (Kristof Kovacs) attended on 12 January to explain process to TSOs and answer questions

EU Tariff Code Update

- Until mid-January ENTSOG & ACER were drafting changes under direction from EC
 - EC was expected to take over legal drafting but so far EC has asked ENTSOG to draft changes
 - IA rejected by Impact Assessment Board as “too technical”
 - IA to be resubmitted but content won't change

EU Tariff Code Update

- Text still to enter Inter-services Consultation within EC
 - Text likely to be restructured but actual content changes are unlikely
- English text was planned to be published in comitology register by end February
 - Publication date now uncertain due to IA rewrite

EU Tariff Code Update

- EC confirmed the “quasi-comitology” meeting scheduled for March and target remains to complete committee process by end June.
 - March text may not be final English language draft
- Text to enter scrutiny period by European Parliament and Council
 - Cannot adjust text but can veto

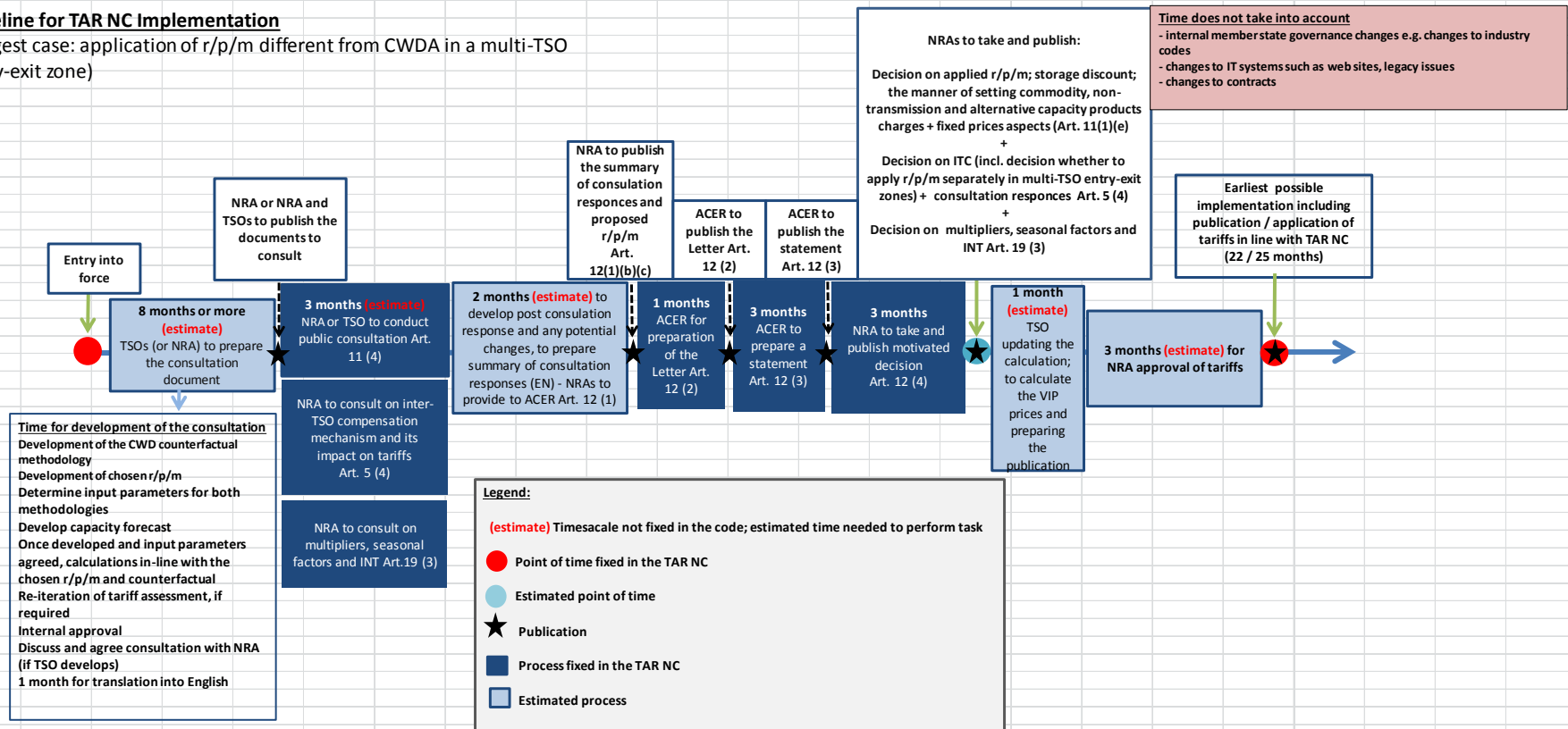
Implementation timescales

- EC still pushing for 12 months and ENTSOG still pushing for 2 years
- EC acknowledges that 12 months would be a challenge if ACER took full 4 months for non-binding opinion
- TSOs told they need to work on what is “actual minimum timeline”
 - What can be done within timescale and what can't due to legal or financial reasons
- TSOs now working on timescales

ENTSOG's draft 23 month timeline

Timeline for TAR NC Implementation

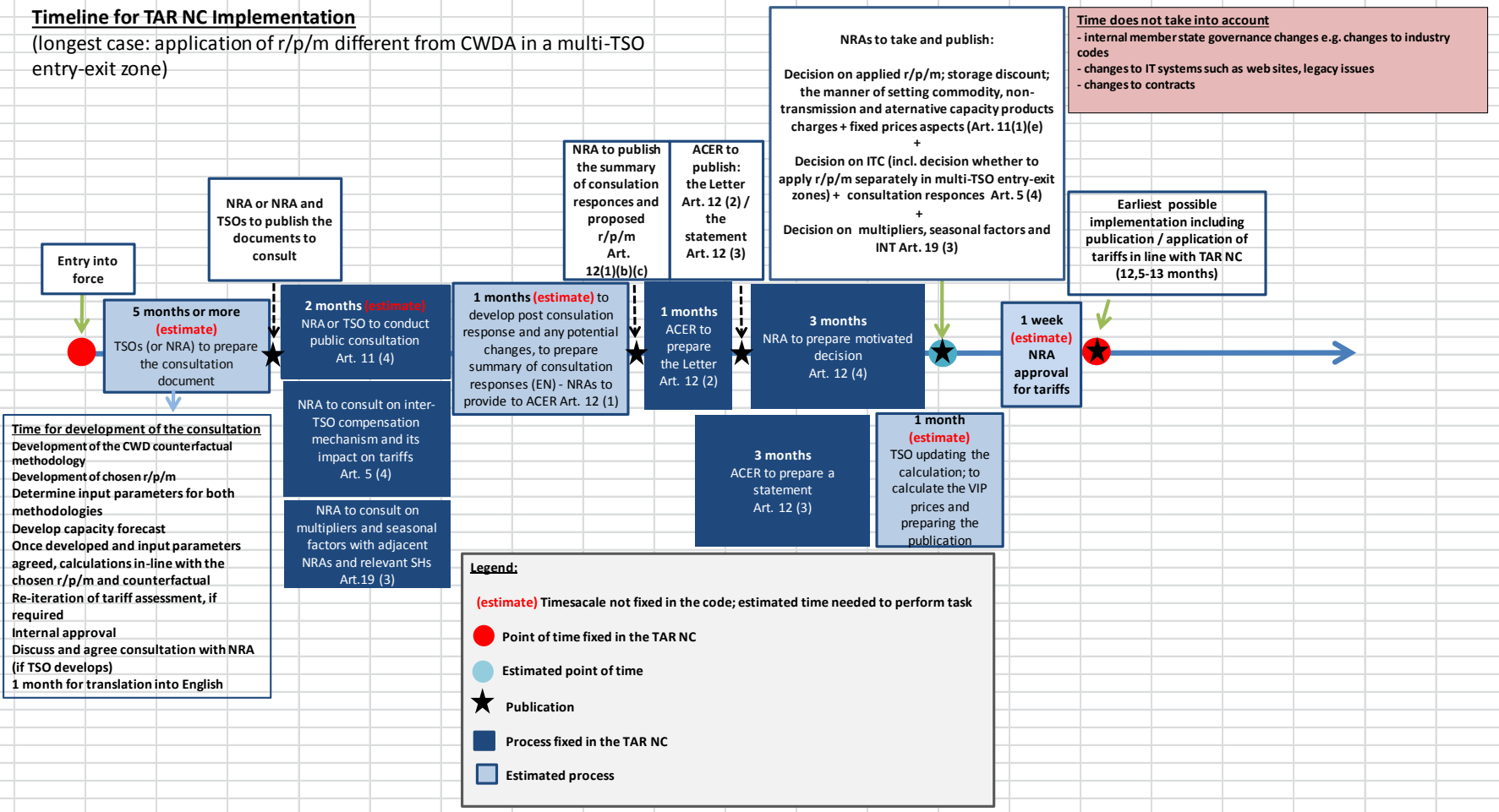
(longest case: application of r/p/m different from CWDA in a multi-TSO entry-exit zone)



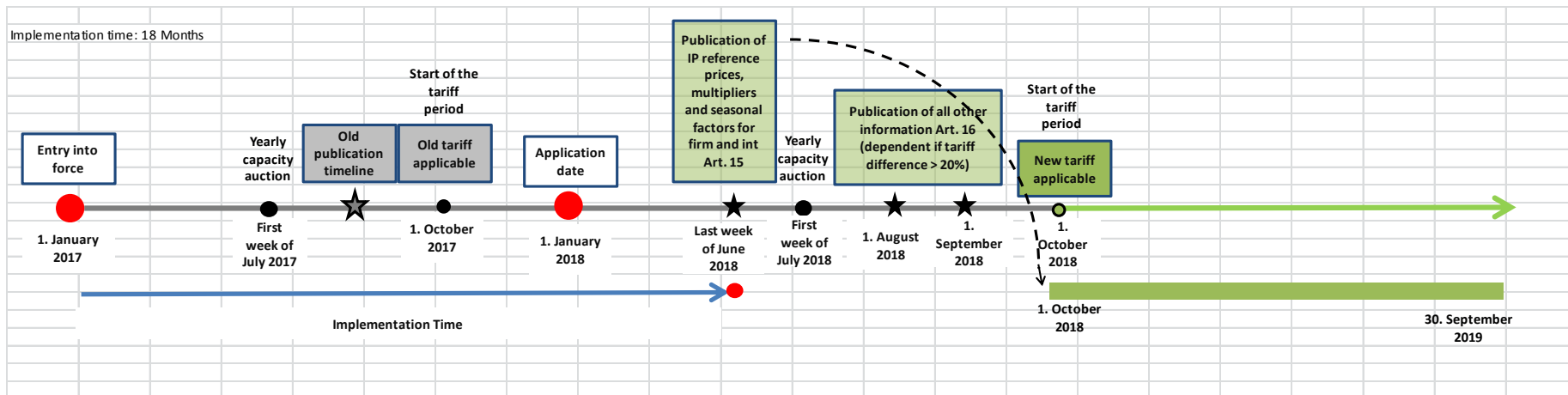
ENTSOG's draft ~12 month timeline

Timeline for TAR NC Implementation

(longest case: application of r/p/m different from CWDA in a multi-TSO entry-exit zone)



ENTSOG view of possible timeline for implementation for 1st October Tariff Year



GB UNC Modifications

- When should UNC Mod process start in order to hit application date?
- CAM implementation gives some indication of time required
 - **Mod 500:** Considerable discussion prior to formal process
 - **May 2014:** Terms of Reference
 - **Nov 2014:** Workgroup report and Mod published
 - **Nov-Dec 2014:** Consultation
 - **Dec 2014:** Legal text
 - **Jan 2015:** Final Mod report
 - **Jun 2015:** Ofgem decision/Implementation letter