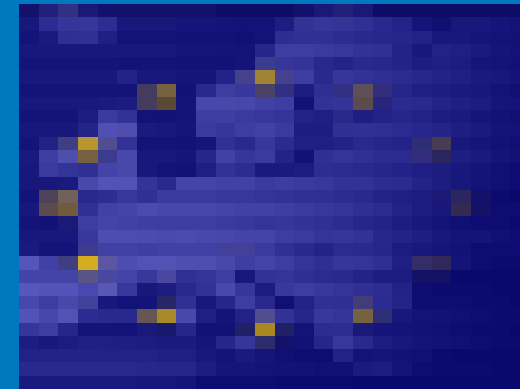
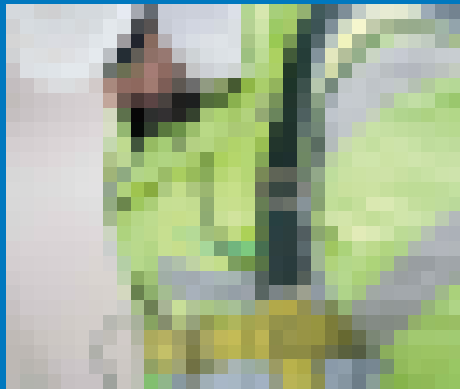


EU Codes Update



4th August 2016

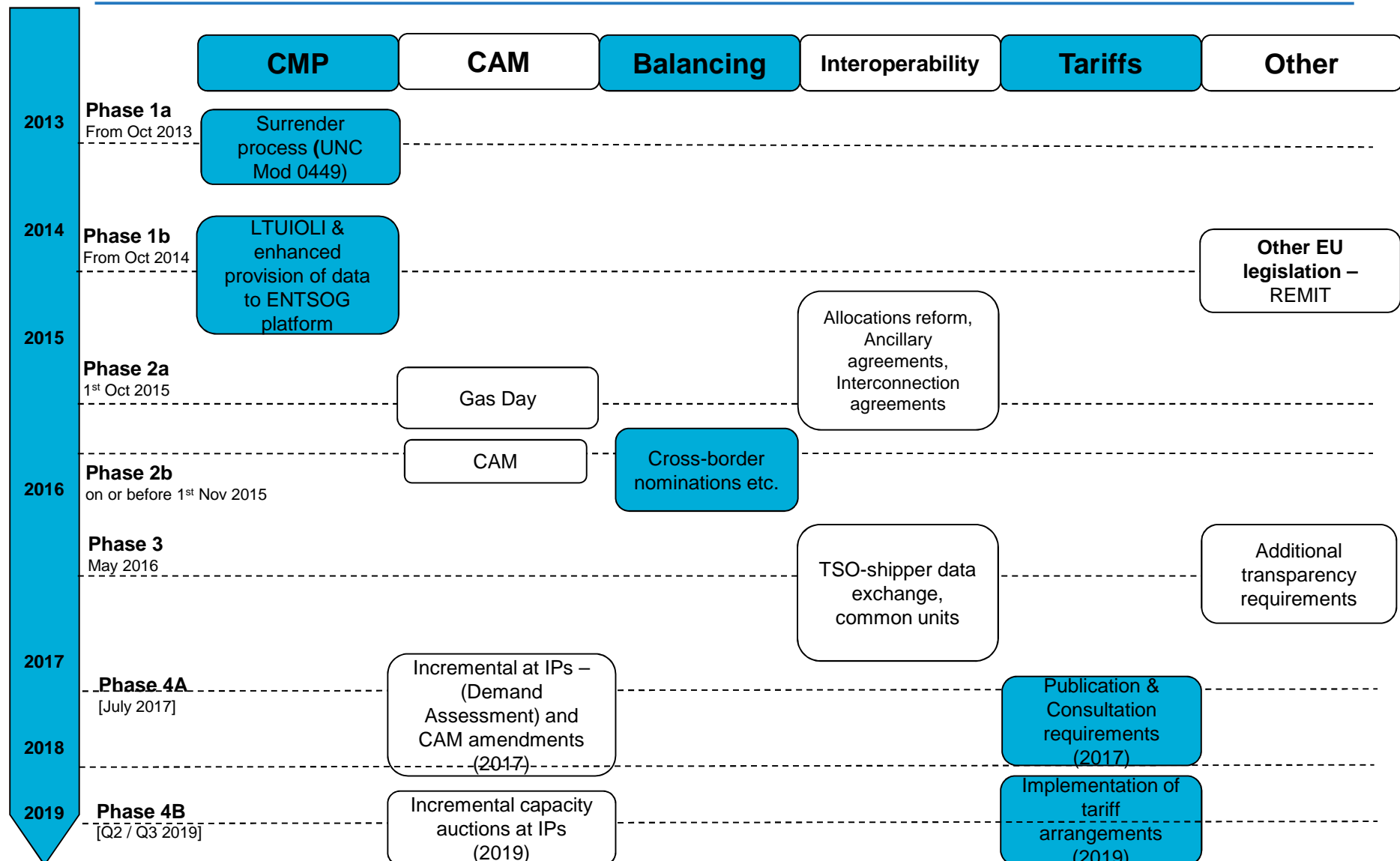
1. General Update



Code Status Update

Code	Current Status	Implementation date
Congestion Management (CMP)	Implemented	1 st October 2013
Capacity Allocation Mechanism (CAM)	Implemented	1 st November 2015
Gas Balancing (BAL)	Implemented	1 st October 2015
Interoperability & Data Exchange (INT)	Code entered EU Law on 30 th April now Commission Regulation (EU) N0 703/2015	1 st October 2015, 1 st May 2016
Tariffs (TAR)	Under development	Applicable from EIF[April 2017], October 2017, 31 May 2019.
Incremental Capacity (& CAM amendments)	Under development	Applicable from [April 2017] Auctions applicable from [2019]

Road Map



Gas Codes Timeline

Status of Development of European Gas Network Codes

Future dates are subject to change

Dates shown in *italics* are best approximations based on current understanding.

It has been necessary to 'round' some dates for the benefits of the diagram

KEY	
	Activities undertaken by ACER
	Activities undertaken by ENTSOE
	Activities undertaken by European Commission

Network Code / Guideline	TODAY												2015												2016												2017												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	Congestion Management Principles (CMP)																																																
Capacity Allocation Mechanisms (CAM)																																																	
Balancing																																																	
Interoperability & Data Exchange																																																	
Tariffs																																																	
CAM Amd/Incremental																																																	



EU Code Updates



EU Tariffs Code & CAM Amendment Update

August 2016

EU Tariffs Code & CAM Amendment Update

- **Summer 2016:** translation of NCs
 - EC released versions submitted for translation on 14 July
 - MSs can submit further comments on the English language drafts. However, any further changes from MSs will be implemented only at the 2nd Comitology Meeting in September.
- Text is still subject to change during translations phase
 - Most changes will be “clarifications” but....
 - Content changes by EC still possible during this process

EU Tariffs Code & CAM Amendment Update

- **29-30 September:** due to time constraints on translation, 2nd Comitology Meeting now rescheduled
 - The formal invitations and the translations of the TAR NC and the CAM NC into the official languages will be circulated at least two weeks in advance of meeting
 - Still intended as a voting meeting even if changes made
 - If rescheduled to these dates then still allows for completion prior to October Madrid Forum

EU Tariffs Code & CAM Amendment Update

- **Oct 2016 – Jan 2017:** 3 months validation by Council and Parliament
- **Feb-Mar 2017:** EC Formalities to adopt NCs
- **1 Apr 2017:** expected Entry into Force
 - TAR NC & CAM
- **31 May 2019:** deadline for end of implementation period of TAR NC

EU Tariffs Code & CAM Amendment Consultation

- The EC has started two public consultations on TAR and CAM NC. These were published on the 30 June with a closing date of 28 July on the new “Better Regulation Portal
- As regards TAR NC and CAM NC, **Network Code team of DG ENER does not expect this process to have an impact on the adoption schedule**
- Launching of this consultation was not announced by Network Code team of DG ENER to ENTSOG

EU Better Regulation Portal

- **“A Better Regulation Portal”** is a new online platform that provides EU citizens with the opportunity to comment on new legislative initiatives
- TAR NC and CAM NC are among the first legislative acts to be submitted to this type of public consultation
- In future, this platform should become the main hub for all consultations on new initiatives

EU Better Regulation Portal

- Unclear whether this Better Regulation Portal will be in addition or in lieu of the current **Comitology Register** which does not foresee the possibility to comment on the uploaded proposals
- Portal can be found here:
 - https://ec.europa.eu/info/law/better-regulation/share-your-views_en

New Amendments to EU CAM Code

- **Article 6 (2)** In an Exceptional Event / Crises *then firm capacity at Interconnection Points has priority over firm capacity at exit points into storage facilities.*
- **Article 6 (2)** Re: competing capacity auctions – *the NRA of any adjacent & affected MS may provide a position which shall be taken into account by the relevant NRA.*
- **Articles 22-25** The economic test has been moved from Tariffs into CAM
- **Article 31** In flight incremental projects at IPs that have not yet reached the allocation stage at the time of Entry into Force, must adopt a CAM compliant allocation mechanism i.e. Articles 29 and 30 shall apply. Articles 26 – 28 shall only apply to new incremental projects initiated after Entry into Force.
- **Article 32** longer term interruptible capacity may only be offered if the respective firm product *was sold at an auction premium, sold out, or was not available.*
- **Article 37** arbitrage role for ACER where member states can not agree on a common booking platform to use.

EU Gas Quality Update



Interoperability Code Amendment nationalgrid to Implement the CEN Gas Quality Standard

- ENTSOG's consultation closed on 15th July 2016
 - We welcome the strong engagement from GB market participants
 - National Grid NTS' response has been published on the Joint Office's webpage for this meeting
 - If any party wishes to discuss this response with us, please contact philip.hobbins@nationalgrid.com or phone 01926 653432
- National Grid NTS is now working with ENTSOG and other TSOs to assess the responses and prepare for the next stakeholder workshop
- Two further stakeholder workshops are planned for the following dates (locations have not yet been advised)
 - Tuesday 13th September 2016
 - Wednesday 16th November 2016
- More detail will be provided about the September workshop and ENTSOG's view of the next steps in this process at the September Transmission Workgroup meeting

Future Topics



Future Topics

Topic Area	Provisional Date
Tariffs Code	Monthly updates whilst progressing through comitology
CAM Amendment	Monthly updates whilst progressing through comitology
EU Gas Quality	Monthly updates

Xoserve's Funding, Governance and Ownership (FGO) Update



Highlights

- Ofgem funding consultation closed out July 7th. Ofgem decision due September 2016
- “Page turner” legal text workshops begun
- Concern over level of parallel development work needed before October Panel
 - Completion of Mod 0565 including Legal Text review
 - Completion of Charging Methodology
 - Completion of Data Services Contract
 - Completion of governance arrangement development
 - Plan challenge and review session held July 27th