

November 2010

Existing transparency requirements for natural gas – Public consultation

IFIEC Europe and Cefic joint response to this ERGEG consultation document
(Ref: E10-GWG-68-03)

General remarks

1. Both IFIEC Europe and CEFIC welcome the opportunity to respond to this ERGEG consultation on the existing transparency requirements for natural gas (ref. E10-GWG-68-03);
2. A secure, efficient and competitive market is essential to the large consumers that IFIEC Europe and CEFIC represent. Gas market transparency is an essential pre requisite to the establishment of a competitive and liquid market. It is clear that many of the 27 EU Member States do not have the appropriate levels of data transparency as highlighted in this consultation document. We hope ERGEG and in the future ACER ensure that the provisions of the EU 3rd Energy Package are implemented fully by the 1st March 2011 deadline, undertake rigorous monitoring to ensure this is the case and take quick and effective action where deficiencies are identified.
3. In looking at data transparency we would like to highlight the substantial work that was conducted on market transparency through the North West Gas Regional Initiative. This process identified a long list of transparency requirements that were agreed by all parties present (including end consumer representatives such as IFIEC). Although we are fully supportive of ERGEG's consultation we would like to highlight that significant work has already been done in this area and that we hope those conclusions will feed into ERGEG's current consultation and be adopted as anticipated/agreed.
4. Looking through the list of data transparency requirements in the consultation documents we have specific concern with some of the provisions on industrial exit points. We, of course, agree with the principle of transparency around supply and demand information and that information should be equitable. We welcome that the data for all single final customers on a network be aggregated and published as a single unit. However, in some instances it may be possible to calculate commercial industrial off-take profiles for example if the exit point in question has a limited number of consumers (such as two industrial sites). We believe ERGEG must provide suitable provisions to ensure that the confidentiality of industrial off take profiles should remain.
5. For the avoidance of doubt, our position in Paragraph 4 does not contradict our position against the "three shipper" rule. It is absolutely vital to the functioning of the market to have transparency of information at key supply points on a network e However, in the case of off-takes – which are inherently smaller, aggregation of information at an alternative point can ensure that there is effective information transparency.
6. On a more specific issue we have noted on page 10 that there is the provision to provide an initial estimate of the GCV and Wobbe index three days after the gas day with the publishing of final figures three months after the end of the respective month. For our German industrial consumers it is very important to get the final information on the GCV and Wobbe index, at the latest 8 working days after the end of the respective month (needed for tax duties, custom duties and also invoice checking). We would ask ERGEG to investigate the impacts of this rule on other EU member state to see if this provision can be updated to represent a shorter time period.

7. In some Countries, if a consumer wishes to calculate the emissions from the use of natural gas, the condition number of the delivered gas is required in order to calculate the emissions-factor. It is important that all network operators deliver this needed information. We ask that ERGEG investigate this at a EU level in view of becoming a binding transparency requirement.

Questions

Following our more general comments IFIEC Europe and Cefic are happy with the proposed transparency requirements and hope they are implemented fully and in a timely manner. We feel there are no gaps in the current proposals and therefore have no further comments to the majority of the questions being asked in the consultation. We therefore only feel the following question needs an answer;

- ***Do you think that those transparency requirements in the GGP LNG and GGP SSO that are not covered by the 3rd Package should become legally binding?***

Yes - We feel that the transparency requirements in the GCP LNG and GCP SSO that are not covered by the 3rd package should become legally binding.