

BUSINESS RULES FOR CHAPTER V – WITHIN-DAY OBLIGATIONS



General

1. The TSO can submit a proposal to the NRA to introduce or amend a within-day obligation at any time. The proposal shall also be sent to ACER and made publically available.
2. Following receipt of the proposal the NRA shall have 6 months to consider the proposal.
3. If the NRA does not provide a reasoned opinion as to why the proposal should be rejected then the proposal shall be implemented.

TSO proposals

1. Where the TSO needs to take balancing actions regarding the system's position during the day, the network code on gas balancing shall provide for the TSO to impose specific obligations relating to network users' inputs and off-takes during the gas day ("within-day obligations"). This shall only occur where, in order to ensure system integrity and to minimise the need for the TSO to take balancing actions, it is necessary to incentivise network users to take appropriate balancing actions during the day.
2. Where the TSO proposes to introduce or amend any obligation relating to network user's inputs and off-takes during the gas day, the TSO shall conduct a public consultation about the proposal in line with national rules (including where the NRA has been assigned to do the consultation). The consultation will include the TSO's views on the timescales related to the within-day obligations.
3. Any within-day obligation proposed by the TSO shall meet the following criteria:
 - a. the main costs to be incurred by network users in relation to their balancing obligations shall relate to their position at the end of the gas day;
 - b. to the extent possible charges levied on individual Network User's positions arising from within-day obligation charges shall be reflective of the direct costs for TSO's balancing actions that might be assessed as arising from that Network User's position within the gas day;
 - c. the charge for not meeting the obligation shall not have an undue negative impact on network users entering into the European market;
 - d. the charge for not meeting the obligation does not pose any undue barriers to cross-border trade;
 - e. it does not result in network users being financially settled to a position of zero during the gas day;
4. Taking account of consultation responses the TSO shall produce a consultation document including the methodology and assumptions used in arriving at the conclusions that the

proposed wdo do meet the criteria mentioned above, supported by qualitative and where possible by quantitative analysis on

- the necessity to incentivise network users to take appropriate balancing actions during the day in order to ensure system integrity and minimize the need for the TSO to take balancing actions, taking account of characteristics of the system and the flexibility available to the TSO through balancing tools;
- the anticipated financial and behavioural impacts on all network users;
- the impact on wholesale market, including liquidity;
- the effect on market entry, specifically identifying any undue negative impact that the obligation could have on new network users;
- the effect on cross border flows, including the potential impact on an adjacent balancing zone.
- any discriminatory effect.

Transitional elements

1. NRA may indicate to the TSO where they believe existing rules relate to within-day obligations and ask the TSO to consult in line with the requirements above. The following types of rules will at least be considered to be within-day obligations:
 - (i) Obligations on the within-day system imbalance
 - (ii) Obligations on individual network user's within-day imbalance position
 - (iii) Obligations on within-day flows profiles on entry/exit points.

NRA decision making

1. Without prejudice to Article 21 of the Gas Regulation, the national regulatory authority shall allow the within-day obligation provided that it complies with the criteria mentioned above. In the assessment on these criteria the NRA shall:
 - Consider the extent to which the wdo will minimize the TSO's use of the four short term standardised products and balancing services when keeping the system within an accepted operational envelope;
 - Consider the extent to which the charge corresponds to the actual cost of balancing arising from non-compliance with the WDO;
 - establish to which extent the WDO represents a barrier to entry of network users into the European market;
 - In cooperation with neighbouring NRAs consider the effect of WDO on usage of flexible gas from neighbouring balancing zones resulting in a shift of risk and cost for users from one balancing zone to another.

- assess the requirement that any buying and selling of gas from accounts of network users in order to manage the within-day position of the network is carried out only to an extent necessary to bring the system within its operational envelope;
 - have regard to the charges likely to be incurred for end-of-day positions, relative to other Balancing Activity Charges (as defined in DBR Neutrality section 2.2) over the entirety of network users over a period of a gas year
 - consider whether network users have sufficient, well-timed and sufficiently accurate information to comply with the obligation
 - it has been subject to the analysis of the likely financial impact on network users, the effect this may have on market entry, cross-border trade, hub liquidity and has been shown to not be discriminatory;
2. In deciding whether or not to approve a within day obligation, the national regulatory authority shall also consider whether the benefits in terms of the economic and efficient operation of the transmission system outweigh any potential negative impacts.
 3. Where a NRA has a concern that the obligations proposed by the TSO may adversely impact on cross-border trade, the NRA may seek an opinion or a recommendation from ACER, based on the provisions of the Regulation (EC) 713/2009 (the “Agency Regulation”). ACER shall monitor the balancing provisions, including within-day obligations and may request the relevant NRA to review any obligations which appear to conflict with the provisions in this article.