



COMMON POSITION ON GAS BALANCING RULES

In view of the upcoming Madrid Forum in September 2010 and with regard to the current activities on drafting a Pilot Framework Guideline on Gas Balancing Rules such as the upcoming public consultation, we agree on the following general principles for a **market-based European gas balancing regime**¹.

- **The overall aim** of the balancing regime shall be to support the development of a single European gas market. It shall help ensure system security and stability while encouraging and facilitating trade. Balancing zones should not be constrained by national borders.
- **Market design** should be fair and transparent and discourage market abuse.
- The Gas Balancing regime needs ultimately to provide for an **EU-Wide high standard structure**. Application of exceptions in the transitional period shall be regularly reviewed to ensure that TSOs take the measures necessary to implement the EU-wide high standard structure as soon as reasonably possible.
- The harmonisation of the **balancing period** is urgently needed since different balancing standards and periods in the different balancing zones hinder the creation of one single European Gas market. We call for standardised daily balancing across Europe.

¹ The current document represents a consensus on key points shared by these organisations. It should not be considered as a comprehensive statement of the views of each individual organisation.

- Complementary to the harmonised balancing period, **standardised procedures** for nominations and re-nominations need to be established to provide for a coordinated interaction between different energy markets. Definition of the gas day, the unit of energy and/or volume and the nomination and re-nomination lead-times should be harmonised.
- TSOs should **procure balancing gas** in a transparent and open manner on the wholesale spot market. Where this is not yet possible, balancing platforms shall be used in the transitional period.
- **Imbalance charges** shall reflect the costs of TSOs undertaking balancing actions and be based on the market price. The marginal market price would provide for adequate incentives for shippers to balance inputs and offtakes and facilitate the participation of new market entrants. The daily balancing regime should not include additional within-day charges.
- TSOs shall ensure that network users have equal access to accurate, near real-time information with regards to the balancing status of their portfolios, the balancing actions taken by TSOs and the aggregate balancing status of the system. The **information shall be provided free of charge** by TSOs and must enable the network users to take timely corrective action. All the information provided must be published in English at the same time as the same information in the national language(s).