

(refined) Draft Network Code on Balancing – stakeholder support process

SSP Response Sheet

Please complete the fields below and send via email using the subject title, “Response to the BAL NC SSP” to info@entsog.eu by 28 September 2012.

Name

First and Last Name: **Kees Bouwens**

Organisation

Company/Organisation Name: *for and on behalf of* **ExxonMobil International Limited**

Job Title: **Advisor, Europe Regulatory**

Contact details

Email: kees.bouwens@exxonmobil.com

Tel: **+31 76 529 2228**

Mobile: **+31 653 947 927**

Address

Street: **ExxonMobil House (MP42), Ermyrn Way**

Postal Code: **KT22 8UX**

City: **Leatherhead, Surrey**

Country: **U.K.**

Countries in which your organisation operates: **(in Europe:) Belgium, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Romania, United Kingdom.**

How would you describe your organisation?

<input type="checkbox"/>	Association	(please specify type)
<input type="checkbox"/>	End user	
<input type="checkbox"/>	Network user	
<input type="checkbox"/>	Trader	
<input checked="" type="checkbox"/>	Other	(please specify) ExxonMobil ¹ is a longstanding participant in the European gas business involved across the supply value chain including upstream production, storage, processing, LNG receiving terminals and marketing.

Question 1: Do you consider that the network code development process carried out by ENTSOG was appropriate, given the boundaries of the framework guideline? In particular, was the level of stakeholder engagement appropriate? If there is room for improvement, please inform us about possible suggestions for improvement.

Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>
Comments: ENTSOG has been very open to input from stakeholders during the NC development process. The stakeholder workshops were well attended and allowed sufficient opportunity for dialogue. Furthermore ENTSOG has refined the draft NC based on stakeholder suggestions following the public consultation. We are conscious of the fact that the level of stakeholder involvement is consuming a lot of resources from ENTSOG, but we consider this is time and money well spent.	

Question 2: Please complete the table below, indicating whether you support the relevant sections of the Draft Network Code on Balancing, having regard to the process carried out and ENTSOG's aim to reflect the views of the majority of users during the development process.

¹ Nothing in this document is intended to override the corporate separateness of individual corporate entities. The terms "Corporation," "company", "affiliate", "ExxonMobil" "our" "we", and "its" and cognates thereof, as used in this document, may refer to Exxon Mobil Corporation, to one of its divisions, to the companies affiliated with Exxon Mobil Corporation, or to any one or more of the foregoing. The shorter terms are used merely for convenience and simplicity.

Chapter	I: General Provisions	II: Balancing System	III: Cross-border Cooperation	IV: Operational Balancing
Support	Yes	Yes	Yes	Yes
Do not support				

Chapter	V: Nominations	VI: Daily Imbalance Charge	VII: Within-day Obligations	VIII: Neutrality Arrangements
Support	Yes	Yes	Yes	Yes
Do not support				

Chapter	X: Linepack Flexibility Service	IX: Information Provision	XI: Implementation, Interim Steps
Support	Yes	Yes	Yes
Do not support			

Please provide brief reasoning for your responses, if you wish.

Question 3: Do you believe that the eventual implementation of the refined draft Network Code will enhance the functioning of the internal gas market?

Yes ✓

~~No~~

Comments:

We support the refined draft Network Code because we believe implementation of this NC will help to facilitate a response on the within day commodity market in the event of balancing needs. The main balancing instrument for TSOs and system users should be a standardised balance-of-day product. Balancing needs should generate price signals for this product and trigger a market response. This mechanism should open the provision of balancing products to more network users, including users across borders.

Implementation of this NC will enhance the functioning of the internal gas market but its success will also depend on the provision of sufficient information to network users throughout the day to effectively assess their own portfolio imbalance and the overall system imbalance. Provision of this information is a necessary pre-cursor to the successful development of a within day balancing market. Where near real time flow information exists, this needs to be made available to the market now; where investment is necessary, this should be undertaken progressively, so that TSOs are able to provide information to market participants at the appropriate level of granularity.

We have expressed concerns about the possible proliferation of different forms of within day obligations (WDOs) and the adverse effect this would have on an integrated gas market across Europe. We support the changes to Chapter VII of the draft NC to mitigate these concerns by providing a better definition of WDOs and including 3 types of WDOs.

Overall we believe this NC is a major step towards a well functioning internal gas market.