



An Coimisiún
um Rialáil Fóntas
Commission for
Regulation of Utilities

**CODE OF OPERATIONS
NOTICE TO SHIPPERS
PURSUANT TO PART A, PART D AND PART E OF THE CODE OF OPERATIONS
PROPOSED MODIFICATION
CODE MODIFICATION PROPOSAL A092 AMENDMENT TO CODE OF OPERATIONS TO
FACILITATE TRADING BY THE TRANSPORTER ON A TRADING PLATFORM**

COMMISSION RATIONALE

Pursuant to Section 13 (1) of the Gas (Interim) (Regulation) Act, 2002, the Commission approves Code Modification A092 '*Amendment to Code of Operations to facilitate trading by the Transporter on a Trading Platform*'. This approved modification will come into effect on 1 June 2018. The rationale is set out below.

BACKGROUND

The Balancing Network Code¹ requires a transmission system operator to undertake balancing actions, where feasible, by trading on a trading platform, which complies with the criteria set out in Article 10.1. Gas Networks Ireland issued a public tender on the 6 March 2017 seeking a trading platform, which complies with such criteria. Energy Broking Ireland who went live as a trading platform operator in October 2018 were awarded preferred bidder status. Gas Networks Ireland has notified the CRU of its intention to designate Energy Broking Ireland as its trading platform provider. The Transporter will carry out Market Balancing Buy/Sells pursuant to a Trading Platform Transactions Agreement with approved counterparty traders.

¹ Commission Regulation (EU) No 312/2014 establishing a Network Code on Balancing Gas of Transmission Networks (BAL NC)

BRIEF OUTLINE OF THE PROPOSED CODE MODIFICATION

This proposed code modification amends the following sections of the Code of Operations:

- Part A (Definitions and Interpretation) – amendment to existing definitions and insertion of additional definitions to facilitate a Trading Platform.
- Part E (Balancing and Shrinkage) – amendment to Section 1.2, 1.3 and 1.4 which sets out the criteria for balancing actions and confirms that all costs associated with the Transporters participation on the Trading Platform, including all costs associated with Balancing Gas Contracts, will be discharged by the Disbursements Account
- Part D (Nominations, Allocations and NDM Supply Point Reconciliation) – amendment to Section 1.2.5 and insertion of sub-section 1.2.5A which sets out the Transporters requirements for undertaking Market Balancing Buy/Sell pursuant to a Trading Platform Transactions Agreement.

REASONS FOR APPROVAL OF THE PROPOSED CODE MODIFICATION

Code Modification A092 is a necessary requirement to ensure that the Transporter complies with its obligations under the Balancing Network Code. This Code Modification will enable the Transporter, Gas Networks Ireland, to trade gas on a Trading Platform.

The Transporter will be able to buy/sell gas on a Trading Platform for system operational reasons, which should result in the procurement of its gas requirements at competitive market prices.

Under the provisions of the Balancing Network Code the Transporter is obliged to seek to secure its gas balancing requirements on a Trading Platform in the first instance before reverting to a Gas Balancing Contract.