

Assessment of the responses received for Estonian and Latvian Transmission System Operators' Public Consultation on the Balancing rules of the Common Balancing Zone of Estonia and Latvia

Stakeholder comment	TSOs' comment
1. Definitions	
Stakeholder 1 „Title product“ should be included in the definitions	Will be added to the definitions
Stakeholder 5 1. 1.2.2. <i>to all network users that have concluded the balancing agreement with one transmission system operator in the common balancing zone</i> - It is not clear to which TSO of the two TSOs in the common balancing zone. Contractual relationship and structure of LV TSO - EE TSO - network user relationship is not clearly established under this document. Criteria which TSO to choose by the network user should be established as well. 2. All definitions used in the Rules shall be in line with existing EU legislation. Definitions which are already defined in the EU legislation should not be repeated in the Rules. We propose to add additional paragraph: <i>“Other terms which are used in these Network Rules are understood as they defined in other EU energy legislation acts.”</i> 3. 2.1.2. <i>Balancing agreement shall mean the standardized agreement, which may be concluded by a market participant with any transmission system operator in the common balancing zone, in order to become a network user within the meaning of these standard terms and conditions</i> - This definition is not in line with a Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (hereinafter – Gas Regulation) Art. 2 (11) definition: <i>„11) ‘network user’ means a customer or a potential customer of a transmission system operator, and transmission system operators themselves in so far as it is necessary for them to carry out their functions in relation to transmission;“</i> 4. 2.1.3. <i>Balancing portfolio means all inputs and offtakes in the common balancing zone that are attributed to a network user.</i> - Regarding BAL NC Art. 3 (13): <i>„(13) ‘balancing portfolio’ means a grouping of a network user’s inputs and off-takes;“</i> 5. 2.1.9 <i>Network user means a market participant who has entered into a balancing agreement with the transmission system operator of the common balancing zone in order to balance its inputs against its off-takes in the common balancing zone</i> - This definition is not in line with a Gas Regulation Art. 2 (11) definition.	<ol style="list-style-type: none"> 1. The concept of Contracting TSO of the Common balancing zone is based on the TSO-TSO cooperation model, which means that from the network user perspective it is indifferent with which of the TSOs the balancing and transmission agreement is signed, because the TSO-TSO cooperation model ensures access for the network user to the whole transmission infrastructure of the Common balancing zone and single point of contact for all operations and customer support. There can be a vast range of the criteria for the choice of the Contracting TSO, known only to the network users. TSOs will abstain from creation of any kind of the list of the limiting criteria in order not to hinder the development of the common gas market. 2. Proposal will be taken into account. 3. Will be changed accordingly. 4. Will be changed accordingly. 5. Proposal not taken into account. Definition in Gas Regulation is too broad. The definition in the Balancing Rules is extended to the required scope. 6. Neutrality adjustment definition removed and definition of neutrality charge shall be used as defined in EU legislation.

<p>6. 2.1.20. <i>Neutrality adjustment means the adjustment percentage added to the daily imbalance price in order to cover the costs of the balancing activities of the transmission system operator</i> - BAL NC Art. 3 (3) provides different definition to define and name the same concept: <i>„(3) ‘neutrality charge for balancing’ means a charge amounting to the difference between the amounts received or receivable and the amounts paid or payable by the transmission system operator due to performance of its balancing activities which is payable to or recoverable from the relevant network users;“</i>. We ask to amend the Rules respectively.</p> <p>7. 2.1.24. Short term standardized product means either a title product or a locational product that is traded for delivery on a within day or day ahead basis - BAL NC Art 7 (1): <i>„1. The short term standardised products shall be traded for delivery on a within day or day ahead basis seven days a week in accordance with the applicable rules of the trading platform as defined between the trading platform operator and the transmission system operator.“</i> In addition to paragraph 8.3.2., in order to set a comprehensible definition for the market participants, we suggest to amend this definitions by highlighting that the short term standardised products (STSPs) are just the within day and day ahead products and are not other products offered on a standardised basis at a trading platform, like Previous day (balancing) products, Nearest day-ahead (physical forward) products or any other type of products.</p> <p>8. 2.1.27. Trading platform means an electronic platform provided and operated by a trading platform operator by means of which trading participants may post and accept, including the right to revise and withdraw, bids and offers for gas required to meet short term fluctuations in gas demand or supply, in accordance with the terms and conditions applicable on the trading platform. - Regarding BAL NC Art. 3 (4): <i>„(4)‘trading platform’ means an electronic platform provided and operated by a trading platform operator by means of which trading participants may post and accept, including the right to revise and withdraw, bids and offers for gas required to meet short term fluctuations in gas demand or supply, in accordance with the terms and conditions applicable on the trading platform and at which the transmission system operator trades for the purpose of undertaking balancing actions;“</i> We ask to amend the Rules respectively.</p>	<p>7. Will be changed accordingly.</p> <p>8. Will be changed accordingly (definition is used as defined in EU legislation).</p>
<h2>2. Conclusion of the balancing agreement</h2>	
<h2>3. Credit management and collaterals</h2>	
<p>Stakeholder 5 BAL NC Art. 30 (2):</p>	<p>Taking into account the current differences in the national legislation of Latvia and Estonia, the rules on credit management and collaterals currently are foreseen to differ. There will be no discrimination, because all network</p>

<p>„2. The national regulatory authority shall set or approve and publish the methodology for the calculation of the neutrality charges for balancing, including their apportionment amongst network users and credit risk management rules.“</p> <p>Credit management rules of TSO including creditworthiness, credit management and collaterals of network users should be approved by the NRAs.</p> <p>Since the transmission service agreement is not consulted it is not clear how the requirements would be implemented. If it is not implemented by approving this document NRAs need to approve it by the other decision. Since, there is a common balancing zone TSOs and NRAs should match and comply differences of national legislation and approve single conditions for market participants to enter the market otherwise network users would be discriminated regarded geographical area.</p>	<p>users have rights to sign agreements with any of TSOs, while only limitation to this can be considered as a discrimination.</p>
<h4>4. Balance responsibility and Transfer of Balance responsibility</h4>	
<p>Stakeholder 2</p> <p>Would prefer if transfer of balance responsibility would rather take place via online platform.</p>	<p>Currently it is not foreseen that the transfer of balance responsibility will be allowed via an online platform, but is foreseen to be implemented in future.</p>
<p>Stakeholder 5</p> <p>1. 5. Balance responsibility and transfer of balance responsibility <...> 5.2. The network user (the ‘transferring network user’) may transfer its balance responsibility to another network user by notifying a transfer of balance responsibility to the TSO of the transferring network user - We suggest establishing a definition which is commonly used in the energy market to define this concept – balance responsible party:</p> <p>“Balance Responsible Party (hereinafter – BRP) means a Network User that has assumed the balance responsibility for its own Balance Portfolio and, potentially, the Balance Portfolio of other Network Users.”</p> <p>2. The transfer statement referred to in article 5.2(a) shall be based on a template, which is published on the website of the TSO and which has been jointly developed and agreed by the TSOs operating in the common balancing zone - We suggest setting the technical requirements and criteria related with TSO discretion / competence for this agreement template in these Rules</p>	<p>1. When signing the balancing agreement, the network user becomes responsible for its own balance portfolio (grouping of network user’s inputs and off-takes as stipulated in Art.3(13) of BAL NC). The balance responsibility from the transmission system operator’s perspective is attributable to the network user signing the balancing agreement, but relevant is the actual transfer of balance responsibility and its description in the rules.</p> <p>2. Current rules contain necessary information regarding transfer of balance responsibility. The statement referred to in the rules will not be an agreement, but a statement about the transfer. Network users may enter, for instance, into contractual relations between themselves.</p>
<h4>5. Virtual Trading Point of the Common Balancing Zone</h4>	
<p>Stakeholder 2</p> <p>1. Don’t really see a need for 6.3.2. (b) i</p> <p>2. Before the “lesser rule” (6.4.3 (e) ii) is applied, it would be preferred that the official matching procedure would include notifying the mismatching trade quantities to BRPs so that they would have time to correct them before the rule is applied. -</p>	<p>1. Earliest date for submitting trade notifications is set, as TSOs do not accept the notifications before this deadline.</p> <p>2. Standard process does not foresee provision of notifications. However clause: 6.3.6 will clarify that if there was mismatch the notification will be sent after the matching. The value that was changed due to lesser rule will</p>

	<p>be taken into next matching as initial value. That means that there is no need for both parties to renominate the values. Also matching process is initiated every half an hour, therefore feedback is received every half an hour.</p>
<p>Stakeholder 5</p> <ol style="list-style-type: none"> 6.1.4. <i>For the purposes of this section 6, the term ‘network user’ shall be understood to include also the TSO(s) and trading platform(s) in the common balancing zone, insofar as required to enable the exchange of gas between the different parties - It is excess provision which do not add additional value to the document, since the network user definition provided by the Gas Regulation Art 2 (11). Also, trading platform cannot be considered as a network user. That would contradict network user definition. Please adjust section 6 wording by using correct definitions.</i> 6.3.3. Trade notifications for within-day trading may be submitted to the TSO: <ol style="list-style-type: none"> <i>No earlier than two (2) hours after the deadline specified in 6.3.2(b)ii - Within-day trading starts during gas day D at 5:00 AM (UTC). Deadline cannot be considered as D-1 17:00. Within-day product by definition is a product traded on the same day.</i> 	<ol style="list-style-type: none"> Will be taken into account. TSO and trading platform act in the role of Network users All within day products are available for trading in the renomination periods right after the day ahead nominations are confirmed. CAM NC: ‘within-day capacity’ means capacity offered and allocated after the closure of the day-ahead capacity auctions with respect to that day
<p>Stakeholder 6</p> <p>Due to common rules in EE, LV and FIN, the current plan is to loose the D+1 (previous day) product, that currently is possible in Estonian VTP. Our proposal to the TSOs is, that previous day product would still be available in the common zone, as it is right now in Estonian VTP</p>	<p>Previous day product is not foreseen in the common zone.</p>
<p>6. Balance Status of the Network User</p>	
<p>Stakeholder 5</p> <ol style="list-style-type: none"> 7.2. The forecasting party of each country in the common balancing zone shall be responsible for providing the TSO of the national transmission system with load forecasts of all non daily metered customers in that country. The information model for non daily metered data allocation shall be the base case model – Not daily metered (NDM) data is provided by the forecasting party (legal entity) which is depicted by the NRA in each Member State. In Lithuania –DSO –Energijos skirstymo operatorius AB is depicted. Other EU states, choose TSOs, DSOs or a third party. LV and EE also should carry out this task, if this requirement is not already implemented. BAL NC Art. 39 (5) states that: <i>„5. The national regulatory authority shall designate the forecasting party in a balancing zone after prior consultation with the transmission system operators and distribution system operators concerned. The forecasting party shall be responsible for forecasting a network user’s non daily metered off-takes and where appropriate its subsequent allocation. It may be a transmission system operator, distribution system operator or a third party.“</i> 	<ol style="list-style-type: none"> The balancing rules state that the forecasting model used shall be base case model in both countries of common balancing zone. The TSOs see that each country in the common balancing zone should have a separate forecasting party. Forecasting party for every country is approved by national NRA.

Do not be confused with BAL NC Art. 39 (1) wording that there could be several FPs –it is not, because Art. 39 (1) refers to a few Member States, few balancing zones, also this article cannot contradict Art. 39 (5).

“Information obligations of distribution system operator(s) and forecasting party(-ies) towards the transmission system operator

“1. Each distribution system operator associated to a balancing zone and each forecasting party shall provide the transmission system operator in the respective balancing zone with the information necessary for information provision to the network users under this Regulation. This shall include inputs and off-takes on the distribution system regardless whether that system is a part of the balancing zone or not.”

Regarding BAL NC only one forecasting party shall be designated in one balancing zone. Since we are planning to have common balancing zone there is an issue how forecasting party should be designated and how it’s task should be conducted.

Also, only one information model should be applied in one balancing zone – only one forecasting of NDM quantities methodology should be applied which also should be approved by the NRAs. Otherwise due to the different methodologies network users connected to the one system (EE) would be discriminated against others connected to the other system (LV) (Gas Regulation Art. 14).

2. 7.4.3. A second update 13:00 h UTC (winter time) or 12:00 h UTC (daylight saving), i.e. 15:00 h local time, on day D.

BAL NC Article 36 (3): *„3. The time of the second update provision shall be defined upon approval by the national regulatory authority and published by the transmission system operator. This shall take into consideration the following:*

(a) access to short term standardised products on a trading platform;

(b) accuracy of the forecast of a network users non daily off-takes as compared to the time of its provision;

(c) time when the re-nomination period ends, as provided in Article 15(1);

(d) time of the first update of the forecast for a network user’s non daily metered off-takes.”

We would like to highlight that the second information update deadline should be carefully assessed. Considering that the forecasting party’s methodology on NDM quantities is not published and considering that currently active trading platform „Get Baltic“ trading session ends at 14:00 h it is not clear how the Article 36 (3) would be implemented. We encourage cooperating with a trading platform operator to prolong the session hours if possible.

3. 7.4.5. No later than within one (1) hour after the deadlines specified in article 7.4, the TSO shall provide this information to each network user - Excess provision which is not in line with paragraph 7.4. previous paragraphs set the deadlines when TSO provide this information to network users. Paragraph 7.5 sets the same rule, but depicts that TSO have additional one hour. Thus, there is a contradiction between paragraphs 7.4 and 7.5.

2. The length of the trading session is set by trading platform operator obviously based on thorough analysis of the market requirements. TSOs are open for cooperation with any trading platform operators expressing their wish to operate in the integrated gas market area.
The current time for second update is TSOs proposal which will be sent to NRAs for approval.
3. Proposal will be taken into account.

7. Settlement of Imbalances	
<p>Stakeholder 4</p> <p>Par. 8.3.1 a) i and Par. 8.3.1 b) iii might have highly unfavourable prices as it includes ANY purchase/sale price TSO is involved in and NU would have to compensate it. In our view, such mechanism is not transparent and only weighted average prices from trading platforms shall be used in calculations of balancing prices.</p> <p>Both incentive factor and neutrality adjustment is used in the same formula technically serving the same purpose. Therefore, we find it excessive and propose to exclude one or another.</p> <p>MSP/MBP formula is sum of: Gas Exchange Price x incentive factor +/- neutrality adjustment. While par. 8.3.4. states that neutrality adjustment shall not exceed ten percent of MSP/MBP. Neutrality adjustment seems to be one of the elements in calculating MSP/MBP, therefore, paragraphs contradict</p>	<p>Neutrality adjustment removed from marginal sell and buy price calculation.</p> <p>Marginal sell and buy price calculation is defined in regulation 312/2014 and therefore cannot be changed. The incentive factor and neutrality adjustment are two different components of the price. The incentive factor is only used when the marginal price of the respective day is the weighted average price of the trading platform (for the purpose of dual pricing).</p>
<p>Stakeholder 5</p> <ol style="list-style-type: none"> 1. <i>The daily imbalance quantity shall be rounded to kWh</i> - More detailed rounding rules should be applied in order to avoid misinterpretations. E.g. rounded to the integer unit in kWh. 2. 8.3.1 - BAL NC Art. 22. sets the principle how MSP and MBP are calculated. Please adjust MSP and MBP definitions because they are not in line with a BAL NC Art. 22. Neutrality charge for balancing is a separate fee from the daily imbalance charge thus it should be calculated and published separately. MSP and MBP have to be based on the market fundamentals and not to any other additional components such as neutrality adjustment. By including everything in one price such mechanism would mislead market participants and could allegedly cause breach of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT). Also, these provisions are not in line with neutrality provisions BAL NC Art. 29-30 as well. 3. 8.3.3. In case it is impossible to determine either the MSP or the MBP as per article 8.3.1, the corresponding price shall be set equal to the corresponding price applying for the previous gas day (D-1) - Since, the current trading platform (Get Baltic) is not liquid we suggest evaluating case when there are no transactions on the Gas day D-1, D-2 and further, by adding D-N rule. 4. 8.3.4. The MBP incentive factor and the MSP incentive factor shall be set as follows: <ol style="list-style-type: none"> a) The MSP incentive factor may range between a value of 0.9 and 0.95; b) The MBP incentive factor may range between a value of 1.05 and 1.1; c) Both factors may be readjusted by the TSO, with a minimum notice time of three (3) calendar days before the first gas day, for which the adjusted factors shall come into effect. <p>- BAL NC Art. 20: „1. <i>The transmission system operator shall submit the daily imbalance charge calculation methodology to be applied in its balancing zone to the national regulatory authority for approval.</i>“</p> 	<ol style="list-style-type: none"> 1. Proposal taken into account, will be specified in the rules 2. Taken into account, marginal sell and buy prices amended according to Balancing Network Code 3. Currently proposed methodology allows to determine MSP/MBP even if there were no trades on the previous day, as MSP/MBP were still determined on the previous day – the MSP/MBP of the respective day shall therefore for example be the trading platform price of D-2. 4. 5% dynamic approach is foreseen to enable the TSOs to flexibly react to the performance of the balancing mechanism, and apply higher values after larger deviations or stressed situations have been observed or are expected, and vice versa. 5. The goal of small adjustment is to incentivise network users to balance their portfolios and not solely to rely on TSOs as last resort buyer or supplier. Depending on market conditions, 30 days or 6 month intervals could be too long reaction to market behaviour and can result in losses for market participants or TSOs. 6. As balancing rules will be approved by NRA, all methodologies included in the balancing rules will be NRA approved. Methodology of neutrality cannot be

BAL NC Art. 22: "6. *The small adjustment shall:*

- (a) incentivise network users to balance their inputs and off-takes;*
- (b) be designed and applied in a non-discriminatory manner in order to:*
 - (i) not deter market entry;*
 - (ii) not impede the development of competitive markets;*
 - (c) not have a detrimental impact on cross-border trade;*
 - (d) not result in network users' excessive financial exposure to daily imbalance charges.*

7. The value of the small adjustment may differ for determining the marginal buy price and the marginal sell price. The value of the small adjustment shall not exceed ten percent of the weighted average price unless the transmission system operator concerned can justify otherwise to the national regulatory authority and have it approved pursuant to Article 20."

Considering the above we suppose that the value of the proposed incentive factor („small adjustment“) should be assessed with the same level of scrutiny as the entire imbalance charge methodology. Thus, it should be approved by the NRAs. Also, this rule is not transparent since market participants are not aware what is concrete value of the incentive factor, thus that could impede trading.

We suggest defining constant, concrete incentive factor value unless justified otherwise why there is a need for a dynamic value.

Please provide evidence why 5 percent dynamic interval is provided. The calculation formula of the small adjustment value derivation should be included in Rules. The formula should involve all cost drivers and be cost reflective. We consider that when network users entering into contract should know all the provisions.

- 5. 8.3.4. c) <...> Also, 3 days deadline have to be justified or other transparent rule of information publishing could be defined in the rules. E. g. TSO should announce new value no later than 30 days, before its application by receiving written NRA consent, value can be changed no more often than 6 months, etc.
- 6. 8.3.6. Neutrality adjustment shall be set taking into account any:
 - a) Costs and revenues of TSO arising from daily imbalance charges and within day charges ;
 - b) Costs and revenues of TSO arising from the balancing actions;
 - c) Administrative costs of TSO arising from the balancing actions;
 - d) Other costs and revenues of TSO related to the balancing activities undertaken by the TSO.

BAL NC Art. 30:

included in NRA pricing methodology, as it is not related to revenue. Neutrality charge is mechanism to ensure that the transmission system operator shall not gain or lose by the payment and receipt of all the activities undertaken by the transmission system operator to fulfil the obligations set out BAL NC.

- 7. Proposal accepted. Within day charges will be removed from this provision.

<p>„2. The national regulatory authority shall set or approve and publish the methodology for the calculation of the neutrality charges for balancing, including their apportionment amongst network users and credit risk management rules.“</p> <p>We consider that it is up to NRA to determine what cost can be included into neutrality fee. Thus, the principles should be defined in the NRA pricing (e. g. revenue cap calculation) methodology.</p> <p>7. a) Costs and revenues of TSO arising from daily imbalance charges and within day charges - Within day obligations are not applied, thus there is no need to define it in this provision.</p>	
<p>Stakeholder 6</p> <p>Balancing gas neutrality component is set to 0-10%, which means that 10% of the gas price might be for example $25 * 0,1 = 2,5$ EUR. If the network user has to pay the TSO 2,5 euros when buying balancing gas, the cost is too big for system balancing. Please justify the price 0-10% price calculation methodology with calculation examples.</p>	<p>Neutrality adjustment removed from rules in response to earlier comment.</p>
<p>8. Reporting and Clearing of Daily Imbalance Charges</p>	
<p>Stakeholder 4</p> <p>Par. 9.6 states about final monthly clearing. In our opinion, if there are any adjustments comparing to initial monthly clearing, TSO shall not use any penalties/factors in charging NU with additional services provided. It is not fault of NU and complicated recalculations would be difficult to control.</p> <p>In addition, if adjustment brings reduction in volumes transmitted for NU, TSO shall compensate for such services (for which NU paid during initial clearing but didn't actually used according to final clearing).</p>	<p>If the DSO corrects their data or there are any other changes in the initial settlement, the imbalance volumes will be recalculated (M+3) – in case the volumes are reduced, the TSO will compensate to the NU, in case the volumes are increased, the NU will compensate to the TSO. The final settlement assures that the NU is invoiced for the correct imbalance amounts.</p>
<p>9. Operational balancing</p>	
<p>10. Invoicing and payments</p>	
<p>Stakeholder 4</p> <p>For financial reporting reasons we would see a huge advantage to receive invoices earlier than the 10th of the month. Every day earlier would be a great support.</p>	<p>Proposal will be taken into account in future development. Currently date of allocation and invoicing is dependent on other deadlines which are set in national legislation and agreements between operators, changing of which will take considerable amount of time.</p>
<p>11. Rights and obligations of the system operator</p>	
<p>12. Rights and obligations of the Network User</p>	

13. Liability and compensation for damage	
14. Modification of the balancing rules and the balancing agreement	
Stakeholder 4 For the sake of clarity, we suggest to mention that contract is valid for indefinite period of time.	Proposal taken into account. Such provision will be included in agreement.
15. Declaration of intent	
16. Force majeure	
17. Confidentiality	
18. Applicable law and dispute settlement	
19. Final provisions	

For the balancing agreement collateral management rules foresee different rules depending on with which TSO agreement is concluded. Do you agree with such approach?	
Stakeholder comment	TSOs' comment
Stakeholder 2 In principle it is fine as long as the collateral management rules do not differ too much.	
Stakeholder 3 Yes	

Common rules provide the possibility to transfer the balance responsibility to another Network User. Do you see the need to offer the possibility to transfer balance responsibility?	
Stakeholder comment	TSOs' comment
Stakeholder 1 Yes, agree	
Stakeholder 2	

Yes	
Stakeholder 3 Question is not understood	
Stakeholder 4 Yes	

The proposed imbalance calculation methodology foresees, that the balancing costs of the TSO would be covered with the neutrality adjustment that will be added to daily imbalance price and adjusted at times. Do you have any comments regarding the methodology?	
Stakeholder comment	TSOs' comment
<p>Stakeholder 1</p> <p>Possibility to implement incentive factor of 10% at maximum and additional neutrality adjustment also 10% at maximum could lead to the situation where imbalance price differs by 21% from the average price at the trading platform.</p> <p>The regulatory approval for the neutrality adjustment is needed.</p> <p><i>(EU) No 312/2014 Art. 30 p.2 The national regulatory authority shall set or approve and publish the methodology for the calculation of the neutrality charges for balancing, including their apportionment amongst network users and credit risk management rules.</i></p>	<p>The proposed imbalance price methodology included in the balancing rules will be submitted to both Estonian and Latvian NRAs for their approval.</p>
<p>Stakeholder 2</p> <p>It is OK</p>	
<p>Stakeholder 3</p> <p>No</p>	
<p>Stakeholder 4</p> <p>As per aforementioned comment, both incentive factor and neutrality adjustment in one formula technically serves the same purpose. Therefore, we find it excessive and propose to exclude one or another.</p>	<p>The neutrality adjustment removed from marginal sell or buy price formulas. The TSOs will clarify the calculation methodology in the rules.</p>

Do you have any comments regarding the proposed timeline for the calculation of imbalance settlement reports and invoicing?	
Stakeholder comment	TSOs' comment
<p>Stakeholder 1</p> <p>The extended timeline for determining the final daily imbalance quantities does not increase liquidity of short term (within-day) wholesale trading. The situation where daily imbalance quantity of network user's portfolio is finally set several weeks after respective gas day does not encourage network users to trade daily products at the trading platform in order to reduce possible daily surplus or deficit of the portfolio.</p>	<p>The TSOs will be providing the Network users with their initial imbalance on the following day (daily metered values + forecasted NDM). As the DSOs have to submit their final data by 7th of the following month, it is not possible to determine the definite imbalance before that deadline.</p>
<p>Stakeholder 2</p>	

No	
Stakeholder 3 No	
Stakeholder 4 For financial reporting reasons we would see a huge advantage to receive invoices earlier than the 10th of the month. Every day earlier would be a great support.	Proposal will be taken into account in future development. Currently date of allocation and invoicing is dependent on other deadlines which are set in national legislation and agreements between operators, changing of which will take considerable amount of time.

Do you have any additional comments to the balancing rules?	
Stakeholder comment	TSOs' comment
Stakeholder 1 1. 8.8.2 The daily imbalance quantity shall be rounded to kWh – rounded to what number of decimals? 2. 8.3.6 a) Costs and revenues of TSO arising from daily imbalance charges and within day charges - What is “within day charges”? 3. What is the purpose of p.8.3.7? 4. 9.4 In case a network user detects any discrepancies in the information provided under daily or monthly clearing, it shall inform the TSO and specify the discrepancy without delay. - The information used by the TSO in order to perform daily or monthly clearing in order to determine imbalance of network user’s portfolio is not 100% available to the network user (calculation of DSO network losses). A network user is not capable to detect all possible discrepancies. Therefore, if network user has not informed TSO of any discrepancies, it should not be interpreted as full release of TSO from responsibility for the discrepancies that may be revealed later.	1. Will be specified in the rules 2. Removed from rules as within day charges not foreseen in these rules. 3. Will be amended in the rules, 8.3.7 shall be a factor considered when setting the neutrality adjustment. 4. The TSO and network user have access to all the data used for calculating the monthly imbalance. For the correctness of measured data, the responsibility lies on the DSO.

Stakeholder 5

1. Rules should lay a playing field for various kinds of infrastructure and set non-discriminatory rules for it, even for infrastructure which is currently non-existent and future planned infrastructure. We suggest defining terms and conditions which relates with LNG system operators (hereinafter – LNG SO) and biogas production in this document. This would ensure regulatory stability, transparency and does not harm legitimate market participants expectations.
2. All Annexes of the Rules should be publicly consulted as well as they are considered as an integral part of the Rules. This include credit risk management rules, standard balancing agreement, balancing responsible party terms.
3. Concepts which are named as the definitions in the definitions section 2 is not consistently used within the document also, their names are not used consistently as well. Names changes throughout the document. We ask to use only one definition to describe the same concept in order to prevent misinterpretations and legal uncertainties. Please adjust the terminology used in all document. Also, we encourage to use same sentence structures as used in applicable EU natural gas legislation.
4. We encourage TSO to collect and store data regarding network users' imbalance during the day in order to monitor their behavioural changes due to the amendment of the balancing rules. In the future a cost benefit analysis defined in the Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (hereinafter – BAL NC) Art. 38 could be carried out by analyzing this data.
5. Future of previous day product defined in the Get Baltic UAB gas exchange is questioned since such products could not be applied regarding BAL NC provisions. We will inform AB „Amber Grid“ and initiate changing our national rules as well regarding this issue as well.
6. It is not clear how TSOs plans to implement other BAL NC direct requirements which are not in the Rules scope. E.g. requirements to publish information on a webpage – balancing transparency requirement. Thus, such provisions could be consulted as well.
7. BAL NC Art. 34–35 provisions related with daily and intraday metered gas quantities are not covered by the Balancing rules. We suggest to amending the Balancing rules by covering these topics.

1. Proposal taken into account regarding Network rules, but the TSOs do not see that adding LNG and biogas production to the balancing rules is relevant.
2. Credit risk management and balance responsibility rules are set in these rules. Credit risk management rules will be attached as an annex to the rules, showing the differences between the applicable LV and EE legal regimes.
The standard balancing agreement in its essence will be the accession document to the common balancing zone, while the substantial parts governing the conditions of the agreement will be established in the balancing rules. In the view of TSOs such approach promotes the legal certainty and ensures the equal treatment to the market participants, providing that any amendments to the contractual relations between the TSO and the network user are made only following the amendments to the balancing rules agreed jointly between the TSOs and coordinated with the NRAs.
3. The TSOs will amend the rules accordingly.
4. TSOs are following the national rules according storage of information used for invoicing. As the information on the users' imbalance falls in this category, TSOs already comply to it. Regarding application of BAL NC Art 38, the date for CBA analysis is already bygone. However TSOs are putting all efforts to minimization of the balancing costs to network user, providing the mechanism described in the Art. 8.3 of these rules.
5. No comments, TSOs appreciate
6. Data publication rules are set in art 12.2 of the balancing rules. The relevant publication requirements are directly applicable to the TSOs either on the basis of EU or national legislation of each TSO.

	<p>7. Regarding requirements of Art 34 – providing of information is described in the section 7 of the rules. Art 35 is not relevant to Integrated balancing area because Base case information model according to Art 3(19) will be implemented.</p>
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