EASEE-gas

European Association for the Streamlining of Energy Exchange - gas

Common Business Practice

Number: 2005-003/01

Subject: Constraints

Approved: 8th September 2005

Summary

This Common Business Practice describes the operational procedures to be applied where constraints arise due to unforeseen restrictions in transmission capacity or due to off-specification gas properties.

About EASEE-gas

The European Association for the Streamlining of Energy Exchange-gas or EASEE-gas was created by six founding members in Paris on March 14th, 2002. EASEE-gas's aim is to support the creation of an efficient and effective European gas market through the development and promotion of common business practices (CBPs) that intend to simplify and streamline business processes between the stakeholders. EASEE-gas has set up offices with Association Française du Gaz who provide administrative support.

The formation of EASEE-gas was prompted by the success of the Gas Industry Standards Board in the United States and has been modelled on it. The GISB has now evolved into the North American Energy Standards Board. The creation of EASEE-gas is a project that is fully supported by the European Commission and by the European Regulators through the so-called Madrid Forum. It was achieved through the work of a dedicated Task Force supported by EFET, Eurogas, Eurelectric, GEODE, GTE, OGP and the Edigas group.

The association is fundamentally based on company membership and voluntary contribution towards the development of common business practices.

Full membership in EASEE-gas is open to all companies, European or other, that are involved in the European gas business, from producers to end users, and to companies that are their service providers. Companies can subscribe to full membership in one or more of the eight gas industry segments.

Associate membership in EASEE-gas is open to government agencies, e.g., regulators, through to organisations such as gas business trade associations and to individuals that may contribute to the benefit of EASEE-gas. Associate members do not pay annual fees, nor do they have voting rights.

The development of common business practices within EASEE-gas is organised through working groups under the supervision of an executive committee that is representative of the various gas industry segments. Participation in the working groups is limited to members only.

Common Business Practice 2005-003/01; "Constraints"

1. APPLICATION AREA

This CBP defines procedures and principles which shall be applied between "adjacent" Transmission System Operators (TSOs) and between TSO and Shipper when a constraint occurs in the system of one of the TSOs. This CBP shall be applied at major interconnection points and will be applied at other interconnection points whenever practical.
It is assumed that all parties involved e.g. the upstream shipper, as a seller and as a shipper in the system of a TSO, the downstream shipper, as a buyer and as a shipper in the system of a TSO and the TSOs are obliged to provide each other with all necessary information. The procedures and principles of this CBP are an addition thereon and supplemental to the existing Common Business Practices (e.g. CBP 2003-002/01).

2. IMPLEMENTATION DATE

The implementation of this CBP shall be as soon as practical, but not later than 1 October 2006.

3. DEFINITION OF CONSTRAINT:

In this Common Business Practice a Constraint is defined as an unplanned event that, for a certain limited period, causes available transport capacity to be less than the sum of the confirmed quantities.

4. TYPES OF CONSTRAINTS

a. Constraint in transmission capacity

A Constraint may occur when a critical element (e.g. a compressor) in the transmission system has a sudden decrease in availability, resulting in a lower transmission capacity across the delivery point. Another example of such an occurrence would be severe pipe damage making it necessary to decrease the pressure in a section of the transmission grid. The TSO operating the affected system shall define the duration and the remaining transport capacity, and shall take immediate corrective actions in order to recover the necessary capacity.

b. Constraint due to gas quality (gas properties) problems

When gas is qualified as off-specification (according to the specified limits in the Interconnection Agreement) the receiving TSO is not obliged to accept the gas. The downstream/receiving TSO shall define the quantity of off-specification gas that can be transported, while the upstream TSO, who delivers the off-specification gas, shall take immediate corrective actions in order to bring the gas properties back on spec as soon as possible.

5. COMMUNICATION & COORDINATION OF OPERATION

The TSO who has to take action according to the previous paragraphs shall inform without delay the adjacent TSO about the nature, and expected duration of the constraint. Both TSOs shall keep each other informed about all relevant issues and the progress in solving the constraint and about any relevant changes in the magnitude of the constraint.
The TSOs shall stay in close contact with each other in order to mitigate the consequences of the constraint as much as possible. Both TSOs shall cooperate as much as possible in order to solve the constraint in the shortest possible time.

Both TSOs shall promptly inform their respective shippers with respect to the relevant interconnection point about the nature and expected duration of the Constraint.

6. FLOW UNDER CONSTRAINT CONDITIONS

A Constraint may affect the quantities that were confirmed to the shippers before the constraint took effect. A new set of confirmed quantities for each pair of shippers shall be established for the constraint period, and a new matching cycle shall commence. The net flow shall be in accordance with the sum of the new confirmed quantities. The shippers shall be advised about the new confirmed quantities.
Any revision of the constraint shall initiate a new matching cycle, which will lead to revised confirmed quantities. Each shipper shall be informed about his changed confirmed quantities as soon as practicable.

7. FLOW CONTROL

The flow control shall be based upon the agreements between the TSOs as a result of their communication about the magnitude of the constraint, in accordance with the previous paragraph

8. NOMINATIONS

The normal nomination rules as agreed between TSO and Shipper shall apply. Shippers shall not be obliged to re-nominate during a constraint.

9. ALLOCATION

The allocation of the delivered quantities shall be according to the agreed allocation rules.

****