

## Madrid Forum endorses the Gas Target Model

- **Model shows the steps to achieve the Internal Gas Market by the 2014 deadline set by the European Council.**
- **Well-functioning and connected wholesale markets are key.**
- **Regulators start implementation work in regions to reach the 2014 deadline**

Today at the 21<sup>st</sup> European Gas Regulatory Forum<sup>i</sup> (Madrid Forum), participants of the Forum endorsed CEER<sup>ii</sup>'s Gas Target Model and invited Member States – in sub-regional or regional groupings – to present to the next Madrid Forum action plans on how to foster functioning gas markets to reach the 2014 Internal Gas Market target.

Commenting on the fact that not all Member States have yet notified the European Commission of full implementation of the 3rd Package, CEER Vice President and Vice Chair of ACER's Board of Regulators, Walter Boltz, said

*"Eyes are peeled to the 2014 target set by EU Heads of State. Clearly, a first step is implementation of the 3rd Package and the envisaged measures such as framework guidelines and network codes. The ability to achieve an EU gas markets depends critically on the genuine commitment of Member States and all stakeholders to the target."*

### **Model shows the steps to achieve the Internal Gas Market by the 2014 deadline set by the European Council**

Last December, CEER delivered on its promise to the European Commission and the Madrid Forum to deliver a target model for European gas markets<sup>iii</sup>. The [Gas Target Model \(GTM\)](#) sets out the vision for the European Gas Market in 2014 and beyond. It is the result of wide stakeholder engagement starting in autumn 2010 and benefitted from academic input from the Florence School of Regulation and from consultants.

### **Well-functioning and connected wholesale markets are key**

CEER's vision of a sustainable internal gas market is based on a core objective of enabling functioning wholesale markets where they do not exist yet. Furthermore, markets need to be connected closely to move forward to an integrated market.

The Gas Target Model hopes to deliver:

- Efficient use of existing infrastructures
- Well-functioning wholesale markets in all of Europe
- Connected functioning wholesale markets in all of Europe
- Secure supply patterns that ensure gas flowing to Europe
- Ensuring that economic investments take place

### **Regulators start implementation work in the regions to reach the 2014 deadline**

National Regulatory Authorities (NRAs) will assess market liquidity and the degree of market integration in the framework of the Regional Initiatives. Where necessary for creating functioning wholesale markets, NRAs will explore measures to improve market liquidity and the degree of market integration. Walter Boltz explained:

*"Through the Regional Initiatives, NRAs are assessing possibilities for cross-border market integration. Preliminary results of one such assessment (by E-Bridge Consulting) shows that the use of most Interconnection Points in Europe is generally low, which suggests that there is no physical reason why we could not go for cross-border market integration. In the South-South East Region, we are launching a project, together with the Czech and Slovak TSOs and the Austrian gas exchange, to assess the possible implementation of the so-called trading region concept for Austria, Czech Republic and Slovakia."*

Brussels, 23 March 2012

**Ends**  
**(see Note for Editors on next page)**

## Notes for Editors:

- <sup>i</sup> [The European Gas Regulatory Forum \(Madrid Forum\)](#), a bi-annual meeting organised by the European Commission, discusses issues regarding the creation of a true internal gas market. The participants include national regulatory authorities, Member State governments, the European Commission, transmission system operators, gas suppliers and traders, consumers, network users, and gas exchanges. The 21st Madrid Forum took place from 22-23 March 2012. See the [regulators' presentations at the 21st Madrid Forum](#) (including one on the Gas Target Model).
- <sup>ii</sup> The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER works closely with, and supports the work of, the Agency for the Cooperation of Energy Regulators (ACER). See [www.energy-regulators.eu](http://www.energy-regulators.eu)
- <sup>iii</sup> At the 18th European Gas Regulatory Forum (Madrid Forum), in September 2010, CEER was asked by the European Commission to initiate a process to establish a target model for European gas markets. Since then, regulators have engaged in extensive dialogue with stakeholders on how the goal of the Internal Gas Market can be achieved. A call for evidence was launched in 2010. CEER then ran [five public workshops](#), stakeholder roundtables, bilateral discussions as well as one webinar, all of which were very well attended. A formal public consultation was carried out between July and September 2011. [The Gas Target Model consultation documents](#) (including the final CEER vision for European Gas Target Model and the Evaluation of Comments) can be found on CEER's website [www.energy-regulators.eu](http://www.energy-regulators.eu).