

A faint, light blue line-art illustration of a globe is positioned in the background on the left side of the slide. It shows the outlines of continents and latitude/longitude lines.

ERGEG Stakeholders workshop on Gas Capacity Allocation and Congestion Management

Brussels, 2 February 2010

CAM

- + Overall, a consultative process
- The extent of stakeholder involvement during the 12 month development phase is unclear
- ? Stakeholders role in the ENTSO-G approval process

- + Comitology can be a powerful tool to achieve harmonised rules in a relative short period of time.
- It is not very “inclusive” (involving stakeholders, transparency).

This is of special importance if the issues concerned have the potential for controversial viewpoints; as is the case with congestion management procedures.

Target model for the gas market



+ OGP *supports a level playing field in the European gas market.*

There should be transparent rules for capacity management and congestion management.

Opportunities for national regulatory authorities to change the rules and principles of the European standard should be limited.

- Old contracts may be amended 6 months after entering into force of new grid code:
- *OGP position:
Existing capacity contracts have to be respected. This is true irrespective of the details of a potentially new capacity and congestion management regime for Europe.*
- If inconsistencies between current and future system rules occur there should be a migration path agreed by all parties, which compensates commercial impacts and assures Security of Supply needs (e.g. backing for long term import contracts).

The list of points, which are excluded from scope does not contain entry points from upstream facilities.

OGP Position:

Upstream entry points into grid should be excluded

Overall approach of standardisation:

OGP Position:

Support efforts to improve effectiveness and to guarantee seamless, pan-European operations:

Support standardisation of the operational framework: i.e. processes, tools and contracts for capacity booking, trading and usage should be standardised and fit for purpose

There is also merit in TSOs harmonising the tools available to them to offer and manage capacity rights; the resulting simplification could benefit competition between shippers and make new entry easier.

OGP position:

TSO cooperation is beneficial on an international and national level (between market areas).

Especially w.r.t. capacity products, operational alignments, capacity calculation, maximisation and investment planning.

– stakeholders should be involved in grid code development process to ensure that TSO cooperation is maintained.

Re-nomination rights



OGP position:

Sanctity of contracts is essential for continued investment:

Existing contracts have to be respected.

Re-nomination is a contractual right in most existing capacity contracts (on supplier and customer side).

Conclusion



OGP Europe recommends that EU Regulators promote implementation of “3rd Package” legislation to establish:

- A stable and competitive fiscal and regulatory regime in order to provide a stimulating environment that will encourage new developments together with maximising the use of existing infrastructure.*
- A liberalised and competitive European gas market where there are clear market signals for continued investment.*