

Recap of the draft CEER consultation document

Vienna, 14 September 2011

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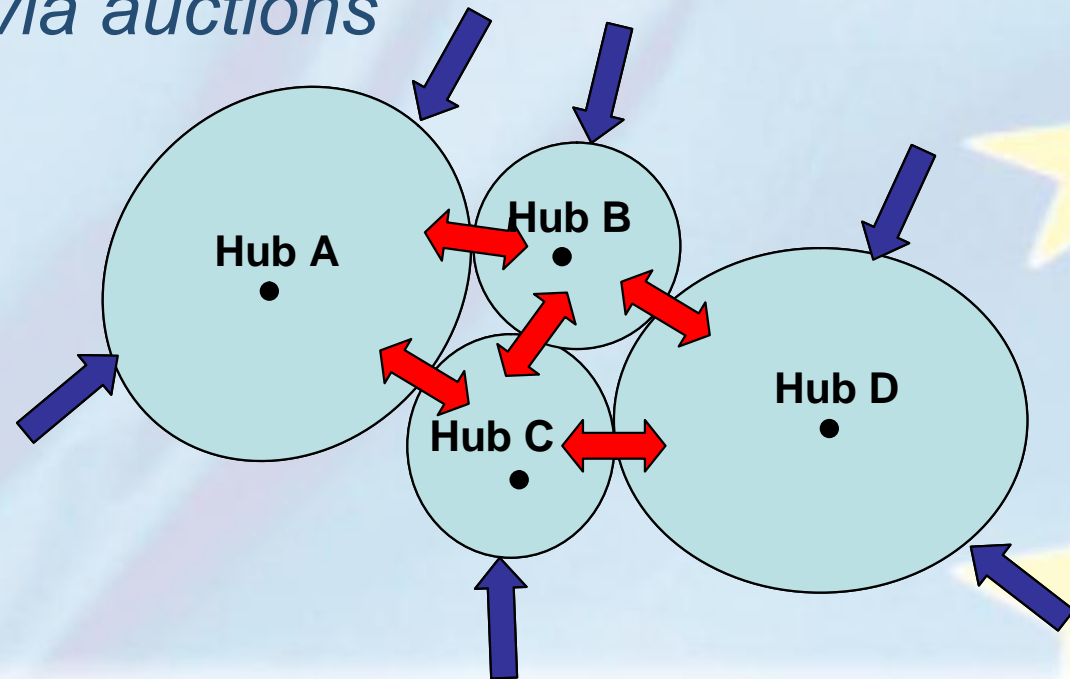
Bundesnetzagentur (Federal Network Agency),
Assistant Head of Section „Access to Gas Transmission
Networks and International Gas Trading”

Expectations towards the Gas Target Model, Madrid Fora Conclusions:

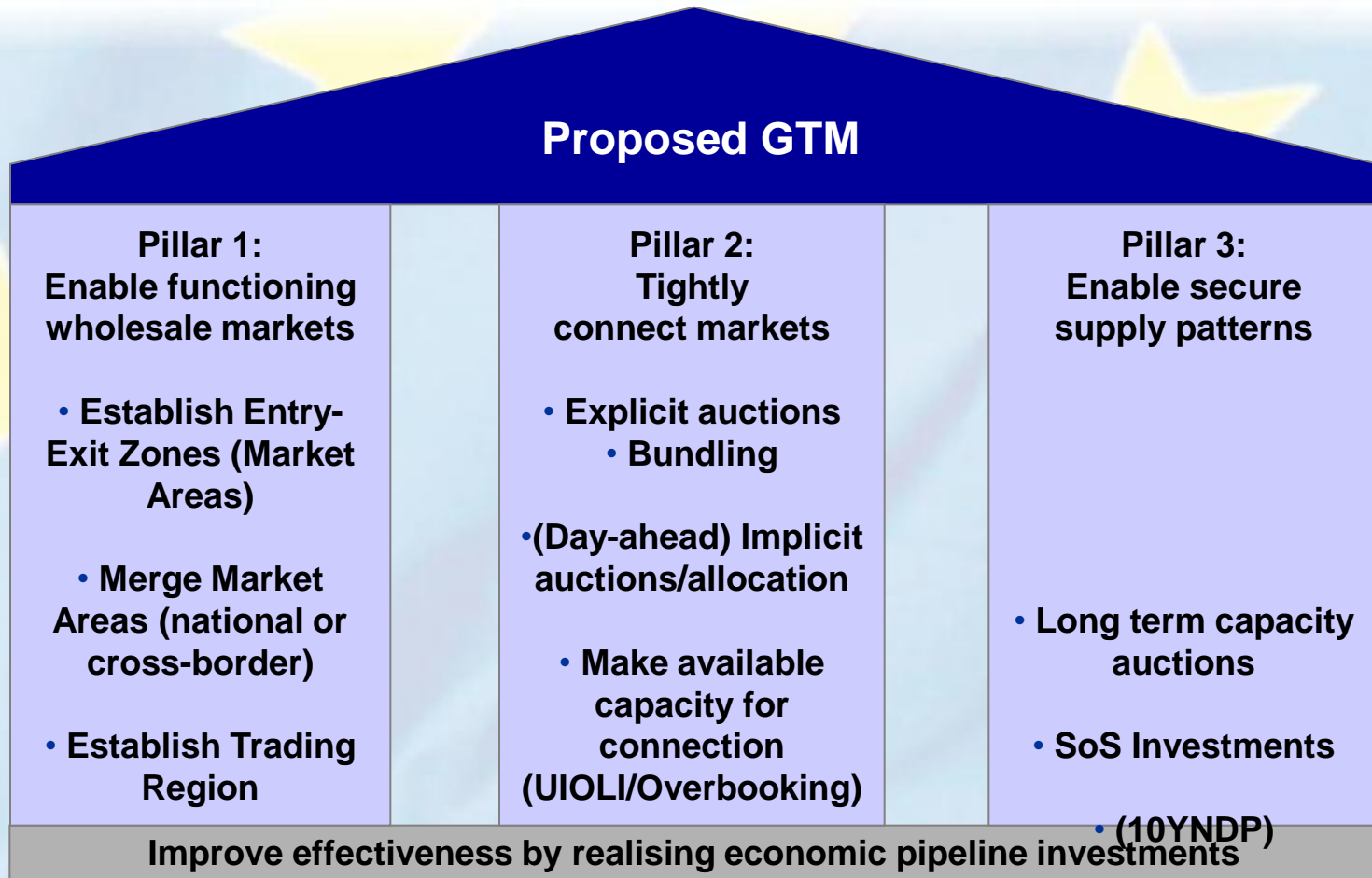
- non-binding, general framework of principles, providing a description of how the market is expected to develop
- provide support for the guidelines and network code development to complete market by 2014
- provide an outlook on the framework for the development of the EU gas market beyond that date.

Draft Vision for a European Gas Target Model : A CEER Public Consultation Paper

“a set of entry/exit market zones with their own virtual hubs connected through a limited number of bundled capacity products identical all over the EU and allocated via auctions”



Proposed Gas Target Model





Draft Vision for a European Gas Target Model : A CEER Public Consultation Paper

- European energy regulators' high-level vision for the regulatory design of a single European gas market:
 - Market consisting of interconnected entry-exit zones with virtual hubs.
 - Sufficient interconnection capacity – regulatory framework for cost recovery.
 - Access to interconnection capacity for shipper to be easy, non-discriminatory and at a transparent & fair price.
- “Functioning wholesale markets”
 - $HHI < 2000$;
 - Gas available from at least 3 different sources;
 - Demand within the zone at least 20 bcm;
 - Range of gas products meeting market demand - efficient and transparent prices.



Draft Vision for a European Gas Target Model : A CEER Public Consultation Paper

- Identify and analyse (cost/benefit) most appropriate model and implement it by 2013.
- Connecting markets: CAM NC and CMP guideline to be implemented by 2014.
- Implicit capacity allocation: Gas flows where it is valued most. Trial by 2014.
- Regulatory framework for new capacity
 - Reserve prices to be set - transparent, cost-reflective, non-discriminatory and promote investments.
- Bidding process involving shippers prior to construction of new capacity.
- Integration of renewables (with view beyond 2014 target?)

Public Consultation

- Public Consultation open until 20 September
- Deadline for Log-in request: 16th September!
- Consultation questions are based on building blocks & CEER Recommendations

The background of the slide is a light blue gradient with a faint, semi-transparent image of a high-voltage electricity pylon on the left and a gas burner with blue flames on the right.

Thank you for your attention!

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