

## CONCLUSIONS

### XXIII. MADRID FORUM

17-18 APRIL 2013

#### **1. Progress with EU internal market in gas**

1. The Forum invites ACER, with the full involvement and support from transmission system operators and regulators to monitor the implementation of the Congestion Management Procedures (CMP) guidelines and report to the Forum. The Forum encourages all parties to commit to work towards the timely and full implementation of the CMP guidelines, including the establishment of an effective transparency platform.

#### **2. Network Code on Capacity Allocation Mechanisms (CAM)**

2. The Forum welcomes the favourable opinion of the Gas Committee on the CAM Network Code. The Forum stresses the importance of a timely implementation of the CAM Network Code once it has been finally adopted by the Commission.
3. The Forum welcomes implementation initiatives such as ENTSOG's and ACER's work on an implementation Roadmap, including PRISMA and other booking platforms, and encourages ACER and ENTSOG to continue the work in close cooperation with the relevant stakeholders by e.g. collecting and documenting common problems and best practices to enable efficient solutions. The Forum invites ACER and ENTSOG to promote the convergence of the on-going projects to avoid duplication of costs, as well as to report on progress of implementation at its next sessions.

#### **3. Incremental Capacity**

4. The Forum thanks CEER for developing the blueprint for incremental capacity. The Forum invites regulators to finalise, in close cooperation with stakeholders, the blueprint on how 'new build' capacity at interconnection points can be integrated into an EU-wide market-based approach, as well as on further considerations for large new infrastructure projects.
5. The Forum invites the Commission and ACER to define the further process for developing a legal framework for incremental capacity.

#### **4. Network Code on Balancing**

6. The Forum acknowledges the significant work of ENTSOG to deliver the Network Code on Gas Balancing of Transmission Networks. The Forum supports ACER's opinion on the revised network code recommending its adoption and invites the Commission to launch the Comitology procedure. The Forum thanks all three organizations for their excellent cooperation, which may provide a benchmark for other codes to come.

7. The Forum encourages transmission system operators, ENTSOG, regulators, ACER and, where relevant, Member States, to consider early implementation projects of the Network Code on Gas Balancing of Transmission Networks.

#### **5. Network code on Interoperability**

8. The Forum welcomes the draft Network Code on Interoperability and Data Exchange. The Forum acknowledges ENTSOG's inclusive approach in the process and urges stakeholders to provide input to the on-going public consultation. The Forum welcomes ACER's offer to deliver its preliminary reaction on the draft code. As with other codes, the Forum urges Member States to follow the development process from an early stage.
9. The Forum also welcomes EASEE-gas' CBP survey which provides useful input into the Interoperability Network Code preparation process, including the interests of eligible end-users.

#### **6. Gas Quality**

10. The Forum takes note of the state of play of the gas quality pilot implementation study. Acknowledging the complexities of the project, the Forum urges involved stakeholders, regulators and Member states to step up their efforts. It is important to provide timely and much needed input into the overall CEN gas quality standardization process.

#### **7. REMIT Implementation**

11. The Forum confirms its support to the Commission's implementation plan. The Forum urges Member States to equip regulators with appropriate penalty powers to deal with market abuses in a timely manner, as required by REMIT. The Forum welcomes the extensive work by ACER particularly on the next edition of Guidance on the application of REMIT definitions and the second set of the records of transactions as well as the IT implementation timeline.

#### **8. The future role of gas**

12. The Forum welcomes the constructive discussion amongst stakeholders, regulators, Member States and the Commission on the future role of gas in the EU energy mix and looks forward to deepening this discussion at the next Forum. The Forum welcomes the current policy debate on 2030 energy and climate policy objectives which also heavily influence the EU gas sector. The Forum considers the role of natural gas in the primary energy mix as part of a 'no regrets' policy in order to achieve the transition to a decarbonised energy economy. It agrees that gas offers a cost-effective way for lowering CO<sub>2</sub> emissions in all segments of the energy market, in particular when using the large potential for technical progress and innovation.
13. The Forum welcomes the progress in implementing the gas target model and encourages further debate on the issue of flexibility and other mid-term challenges facing EU gas markets. The Forum considers that irrespective of the outcome of the current climate policy debate, the creation of a well-functioning, competitive internal

market in gas, leading to competitive prices, can contribute to gas remaining an integral part of the EU energy mix.

## **9. Framework Guidelines on Tariffs**

14. The Forum welcomes the work by ACER to deliver a Framework Guideline on Rules Regarding Harmonised Transmission Tariff Structures for Gas and invites ACER to extend their work taking into account the points raised by the Commission, acknowledging the additional time needed. The Forum invites ENTSOG to continue its cooperation with ACER to ensure a smooth process. The Forum furthermore encourages ACER and ENTSOG to pursue the work on the impact assessment of the proposed rules and encourages Member States to actively participate in the discussion from an early stage.

## **10. Implementation of the TEN-E Regulation**

15. The Forum agrees on the need to quickly implement the Regulation on Guidelines on trans-European energy infrastructures. A quick agreement on the list of projects of common interest is needed. The Forum will pursue the discussions on the regulatory aspects, calls on ENTSOG to rapidly develop and consult on the methodology for cost-benefit analysis as set out by the Regulation. The Forum calls on regulators to kick-start work on identifying appropriate investment incentives, which should correspond to the specific risks incurred. The Forum notes that ENTSOG has launched an informal public consultation on the CBA methodology development whose feedback will be used in the formal process expected to start in June.

## **11. Ten Years Network Development Plan**

16. The Forum notes the high level of quality achieved in this TYNDP and appreciates the transparency it provides for the gas market and the coordinated approach at European level. The Forum recalls the crucial role the TYNDP will play in the future as basis for the identification of Projects of Common Interest (PCIs) and the further development needed to include an energy system-wide cost-benefit analysis in the next TYNDP.

## **12. Regional Initiatives**

17. The Forum welcomes the work in the NWE and South regions focusing in particular on the early implementation of the CAM Network Code. The Forum also welcomes the continued efforts undertaken in all regions but in particular SSE to develop an implementation model for measures of the gas target model and encourages transmission system operators, regulators and, where appropriate, Member States in the region to undertake the best efforts and coordinate their initiatives where appropriate to explore cross-border market integration.

## **13. Storage and LNG**

18. The Forum welcomes the GSE and GLE transparency initiatives supported by CEER. The Forum encourages those organisations to continue their close cooperation with the involvement of stakeholders concerned. The Forum invites CEER to monitor implementation of these initiatives by SSOs and LSOs and to report back to the Forum. The Forum also welcomes CEERs study on access to LNG terminals.

#### **14. EC Annual Priorities and ACER/CEER 2014 Work Programmes**

19. The Forum takes note of the process to develop ACER's and CEER's work programmes. The Forum encourages all stakeholders to contribute to the Commission's on-going public consultation on its draft annual priority list for the development of network codes and guidelines for 2014 and beyond.