EDP Gás Response to ERGEG Consultation on:

"Draft Strategy for delivering a more integrated European energy market: The role of the Regional Initiatives"

EDP, as a member of Eurelectic, subscribes its response to the Public Consultation organised by ERGEG on "Draft Strategy for delivering a more integrated European energy market: the role of Regional Initiatives".

Nevertheless, EDP is both a large consumer of natural gas, for its production purposes in combined cycle power plants, as well as a supplier of natural gas in the Iberian Peninsula. Moreover, EDP is the second largest distribution company in Spain, also with transportation activities, responsible for the distribution of natural gas in the Basque Country through its company "Naturgás Energia Transporte".

Thus, EDP Gas, being responsible for the coordination of the gas activities of EDP Group in the Iberian Peninsula, is hereby presenting some additional comments to ERGEG's document, from the perspective of both a shipper and also a natural gas distributor.

As a general comment, we would like to stress that the final goal of the Regional Initiatives should be the achievement of the improvement of Security of Supply in Europe and the integration of regional markets towards a single European gas market.

In this perspective, we believe that cross-border interconnections identified under the scope of work of the Regional Initiatives should be evaluated based not only in commercial indicators – number of interested parties in booking long term firm capacity in these interconnections - but also on its future role towards the goals mentioned above.

Specifically in what concerns the South Gas Regional Initiative, the three identified interconnections between Spain and France – Larrau, Biriatou and Midcat – should be considered as strategic for the reinforcement of the interconnections between the South and the North of Europe and the creation of a viable alternative to the main sources of supply coming from the North, and evaluated according to these criteria.