

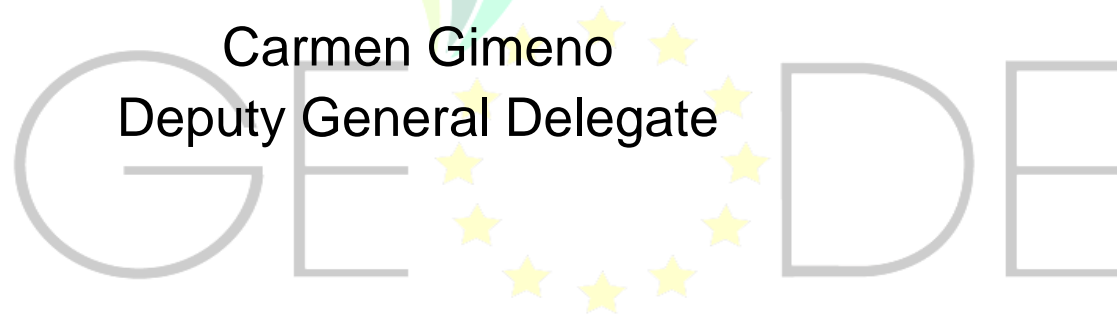


Gas Target Model

Fourth Workshop CEER

Brussels, 28 June 2011

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GEODE'S View on GTM (1)

- **GEODE supports the CEER's approach in relation to the GTM as it is outlined in "Version 5"**
- However, some important aspects need to be clarified:
 - 1. Distribution systems constitute a substantial part of the European network access system.**
 - No „second“ level apart from the TSOs, i.e. involvement in the entry/exit system and balancing
 - But: “how far“ should regulation / harmonisation go as regards DSO?
 - No complete harmonisation of roles and responsibilities of DSOs needed. Unification only where appropriate (gas day, gas quality, imbalances in pricing, procurement of system balancing by TSOs)
 - 2. Promotion of competition for final consumers (in distribution systems) as an objective of GTM**
 - Problems expected in particular in relation to the trading regions

GEODE'S View on GTM (2)

3. The supply of end consumers is a priority

- internal capacities between the system operators are to be guaranteed (no trading optimisation at the risk of DSOs/end consumers)
- **Implicit auctions as target.** The markets must be connected (market areas, trading regions, entry/exit) **exclusively by means of bundled capacity** (no “interim capacity bookings“ by shippers).
 - GEODE is still very critical of capacity bookings/secondary marketing by shippers – problems lie with the booking system
 - bundling the capacities leads to reduction of delivery points and to more liquidity; uniform bundling is required also for old agreements (sunset clause)
 - Capacity reservation for the day-ahead market at the European trading points (connected by bundled products)

GEODE'S View on GTM (3)

5. Investments: clear distinction between SoS needs and other network expansion

- special rules for SoS needs (SoS regulation, Commission's infrastructure package)
- further network expansion upon specific analysis after resolution of contractual congestions (What is actually required?)

6. Clarification of the most important role of the DSOs in the integration of renewable energy and CHP (sustainability of the system)

- distribution systems as "smart grids": storage, flexibility, power to gas
- recognition of investment costs
- development of capacity markets (e.g. for conventional CHP) to be discussed and tariffication to be considered in the guidelines



Thank you for your attention!

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