

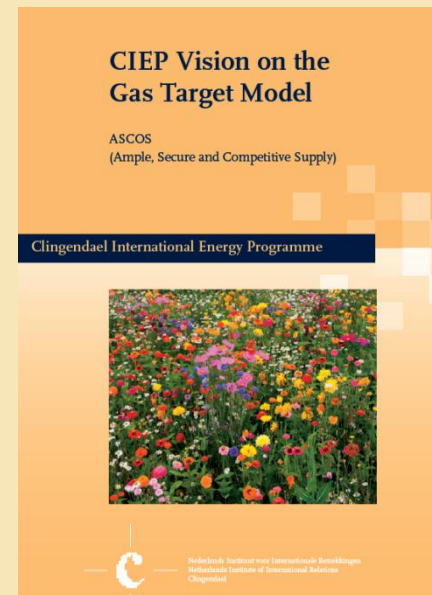


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# Vision on a gas target model

**CEER workshop 14 September 2011 Vienna**



**ASCOS-model**

Legend:

-  = objectives for policy makers
-  = coordinating principles
-  = transaction characteristics for market players



# Main message

- Attract Supplies,
  - Long-term coordination structures
- EU gas market > spotmarkets
  - Regional differences
- Infrastructure & Regulation:
  - Facilitating functions
  - New investments, crossing borders

**Balancing ex ante & ex post interventions !!**

**Remember 80/20 rule, Commodity/infrastructure**

# Reflections on current GTM discussion

## Objectives & criteria:

### Increase liquidity → short term markets

- Long term supply structure ??
- Standard criteria ??
- Statistical errors ??

### Day-ahead price alignment

- Relation with market abuse ??
- Statistical errors ??

## Proposed means (not end!):

- Merger of zones
- All trade one virtual point
- Implicit auctioning like in electricity
- Stringent UIOLI rules

- **Wrong focus!**
  - (short term trade, rather than supply attractiveness)
- **Too prescriptive!**
  - (contractual freedom?)
- **Customer benefits?**
  - (cost/benefit analyses?)

# Suggestions for the current GTM discussion

## Starting points:

- Focus on attractive outlets for (new) supplies
- Accept regional differences
- Contractual freedom
- Infrastructure is service provider
- Cost-risk reflectivity essential

## Short term:

### Third Package:

- Secondary capacity markets
- Interruptible capacity
- Interoperability measures
- Transparency measures

If continuously based coupling:  
case-by- case approach, pilots

## Long term:

### New Infra Instrument:

- Speed up permitting process
- Enhance cross-border coordination
  - (new long term commodity, hence capacity contracts)
- Open Seasons
- Tariff differentiation/ Tariff certainty

**Encourage pipe-to-pipe competition**



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**Thank you for your attention.**

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