



ERGEG Public Consultation on Gas Transparency Monitoring **Comments from AEP¹**

The Association of Electricity Producers (AEP) strongly supports the development of competitive and integrated energy markets across the EU. We recognise that transparency of information concerning those markets is a key element supporting market efficiency. We also agree that currently compliance with Regulation 1775/2005/EC varies between Member States, and that a more consistent compliance with the Regulation and other measures put in place to progress towards integrated liberalized markets is required.

In order to achieve the desired outcome we acknowledge that transparency requirements will need to be fairly prescriptive to avoid or minimize differences in interpretation between interested parties and therefore provide clarity in what information should be published. However transparency requirements should be linked to the wider objectives of the development of competitive markets whilst protecting the commercial confidentiality and positions of individual market participants. For example the publication of ex ante flow information at transmission system offtake points (as proposed in Article 6.7 of the amended gas Regulation) would affect system operation and competition as well as being commercially sensitive. The publication of the same information ex post will still provide market participants with information concerning market responsiveness. It is therefore vital that all parties are fully engaged in developing the transparency requirements.

Clearly the means by which information is published and the frequency with which it is updated will also be important in determining the usefulness of the information to market participants.

The Association supports the removal of the less than three rule and the introduction of additional transparency requirements for non-exempted storage and LNG facilities on the basis that the provision of such information will facilitate non-discriminatory access to gas storage and LNG facilities and assist understanding of market dynamics.

11th January 2008

¹ The Association of Electricity Producers (AEP) represents large, medium and small companies accounting for more than 95 per cent of the UK generating capacity, together with a number of businesses that provide equipment and services to the generating industry. Between them, the members embrace all of the generating technologies used commercially in the UK, from coal, gas and nuclear power, to a wide range of renewable energies.