


ACER

 Agency for the Cooperation
of Energy Regulators

Gas Regional Initiative Getting to 2014

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Background from last Madrid Forum

- Conclusions from the 20th MF on Regional Initiatives
 - 9) *The Forum welcomes the EU Energy Work Plans 2011-2014 submitted by the gas regional initiatives (GRIs) and thanks the regulators and ACER for this work.*
 - 10) *The Forum encourages the GRIs to provide greater focus on the prioritisation of their work and in particular to programs on infrastructure development and on pilot projects testing early implementation of framework guidelines and network codes. Given the resource constraints priority should be given to projects that may have a significant added value and feed into the network development process, the development of joint CAM platforms and the offering on a voluntary basis of bundled products.*
 - 11) *The Forum welcomes ACER's coordinating role and encourages ACER and GRIs to coordinate the Work plans further with the stakeholders as well as within and between regions. The Forum invites the lead regulators for each GRI to regularly update the Work program, to provide a regular overview of the meeting schedules to encourage the involvement of Member States and stakeholders and to present progress at each Madrid Forum until 2014.*

Outline

- The contribution from the GRI process
- ACER Status Review report - recommendations
- Suggested actions to ensure progress
- Update of the GRI Work Plans in March 2012
- Pilot regional work – Capacity allocation (CAM)
- Way forward

The contribution from the GRI process

- The Gas Regional Initiative as a **complementary process** to the development of FGs and NCs, enabling:
 - » Pilot testing of provisions from draft Framework Guidelines and Network Codes
 - » Early implementation of Network Codes
 - » Facilitating implementation of other EU regulation, e.g. 3rd Package transparency requirements, GRIPs, EIP provisions
- The regions will build on their previous efforts and progress which has already been made in the regions in different areas of work
- Examples of **recent developments** in the GRI
 - » Some pilot projects delivering results – **CAM** in South region
 - » GRI facilitating implementation of EU regulations – **transparency** in NW and South, **SoS** Regulation 994/2010 in the SSE
 - » Analyses for implementing the **Gas Target Model** in the 3 regions

ACER Status Review report – recommendations

- ACER published its first **Regional Initiatives Status Review Report** on 14 March 2012
- It provides an update on progress in regional work and includes some **recommendations** for future GRI work:
 - » Enhancing and improving the **Work Plans**
 - Need to reflect more explicitly the target: completion of the IEM in 2014
 - More effort needed to improve convergence of the Work Plans
 - Greater focus should be given to projects in most instrumental areas for the completion of the IEM, in particular CAM
 - The Work Plans should be continually reviewed and updated
 - » Wider **stakeholder participation**: increased engagement of stakeholders and Member States should be further encouraged
 - » The GRI should aim at offering opportunities for **cross-regional** work and **pan-European** projects

Suggested actions to ensure progress

- This is a **crucial moment** in the path towards the achievement of the IEM in 2014
- **Stepping up the pace** towards the goal is necessary
- Despite progress in concrete projects, further **integration and convergence** within and between the regions is needed
- Focus should be put in those areas which can contribute more to the creation of the IEM, in particular on **CAM**
- The **commitment and engagement** of all parties (European Commission, ACER, NRAs, Member States, TSOs and other stakeholders) is essential

Update of the GRI Work Plans in March 2012

- Context: recommendation in ACER Status Review report after the message from the 20th Madrid Forum (conclusion 11):
 - » *“The Forum (...) encourages ACER and GRIs to **coordinate the Work plans** further with the stakeholders as well as within and between regions. The Forum invites the lead regulators for each GRI to **regularly update the Work program**, to provide a regular overview of the meeting schedules to encourage the involvement of Member States and stakeholders and to present progress at each Madrid Forum until 2014.”*
- ACER invited the Lead NRAs to update the Work Plans ahead of this 21st Madrid Forum, in order to provide more visibility to regional progress and identify areas for cross-regional work to speed up integration
- A new version of the GRI Work Plans 2011-2014 has been submitted to ACER by 9 March 2012

Pilot regional work – Capacity allocation (CAM)

- An essential area for enhancing market integration and a prerequisite for achieving the IEM
- The GRI has already developed some work on CAM, so far on a bilateral basis: pilot project ES-PT in the South region, GATRAC platform and short-term CAM AT-IT in SSE region
- Now that ENTSOG has presented its proposal of Network Code on CAM, it's time for starting pilot work on this area
- The work has to be upgraded from bilateral to regional and cross-regional level

Regulators and TSOs to work jointly on the establishment of **regional auction procedures – CAM pilots and platforms** – following the principles of the CAM Framework Guideline and Network Code

Way forward (1)

- **Cross-regional work** is just starting and has to be further fostered and promoted
- There are clear opportunities for cross-regional projects with a potential **pan-European scope**
- Setting up **regional CAM pilots and platforms** in line with ACER's FG and ENTSOG's NC should be a priority;
- **BoR and its members have endorsed this priority** and expect **strong TSOs commitment which is crucial**

Way forward (2)

- **Detailed Roadmap(s)** to be developed and presented at the next Madrid Forum
- Subsequently, lead regulators to **closely monitor progress** and **regularly report** to the Madrid Forum
- **ACER** will also continue to closely monitor progress, coordinating and supporting the process where needed
- ACER invites all **stakeholders** to participate actively in GRI meetings and give feedback about projects planned

Thank you for your attention!



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