

## CEER Training on Regulation of European Gas Markets and Implementation of Network Codes

**23-24 October 2017**

**CEER Office, Cours Saint-Michel 30a (5th floor), 1040 Brussels**

### **COURSE PROGRAMME**

#### **Level B: Specialised Course**

*The European gas markets have experienced some emerging issues that challenge the gas market fundamentals. There has been an increasing need for flexible response, including from gas-fired power stations, to complement the growing volume of intermittent renewable-based electricity generation. The flexibility and the liquidity of the gas markets across Europe need to increase. Energy regulators have to deal with these continuing and emerging challenges in the European gas markets.*

*In addition, with all the Network Codes in Gas now adopted, the next phases of implementation, monitoring and modification will come to the fore. Energy regulators have to deal with the challenges related to the implementation of Network Codes in Gas in order to meet the European expectation for a quick and efficient harmonisation of the European Gas Markets.*

*This tailored-made 2-day CEER training programme is designed for experts from National Regulatory Authorities with previous experience in gas market regulation who would like to update their knowledge and expertise in order to deal with the continuing and emerging challenges in the European gas markets. The programme will cover the key developments in the European wholesale gas markets and the important roles of regulators in delivering the progress. It will address the challenges related to the implementation of Network Codes in Gas, covering Balancing, Harmonised Tariff Structures, Congestion Management Procedures and Capacity Allocation Mechanism Network Codes. The programme will include some best practices, lessons learned as well as opportunities and challenges of the ongoing and new European gas market integration initiatives. In addition, it will include an interesting discussion on how to deal with emerging issues in a dynamic gas market through presentation of good regulatory practices and approaches.*

#### **Monday, 23 October 2017**

**10:30-18:00**

#### **WELCOME AND INTRODUCTION**

**10:30-10:45** Opening remarks and round-table introduction of the participants.

- **Mr Benoit Esnault, CRE**

## SESSION 1 KEY DEVELOPMENTS IN THE EUROPEAN GAS MARKETS AND THE ROLES OF REGULATORS

The gas sector is experiencing new demand and supply patterns. The rapid increase in the penetration of non-conventional gas (especially in the US) and in LNG re-gasification capacity in Europe is introducing new dynamics into the European gas markets, with a weakening of the link between gas and oil prices and the emergence of short-term trading. There will be an increasing need for flexible response, including from gas-fired power stations, to complement the growing volume of intermittent renewable-based electricity generation. This will result in a strong relationship between electricity and gas sectors. Consequently, the flexibility and the liquidity of gas markets across Europe need to increase. Energy regulators have to deal with these continuing and emerging challenges in the European gas markets.

**10:45-11:30** Key developments in the European wholesale gas market integration and the roles of regulators.

- a) Progress achieved, analysis of current and future challenges and possible solutions
- b) The need for better integration and coordination between gas and electricity sectors
- c) The important roles of regulators in delivering the progress, including balancing innovation and regulation in the gas sector

- **Ms Margot Loudon, Course Advisor, Eurogas Deputy Secretary General**

**Q&A**

## SESSION 2 NETWORK CODES IN GAS AND THE CHALLENGES OF IMPLEMENTATION

This session addresses the challenges related to the implementation of Network Codes in Gas. The challenges in term of governance rules, cooperation between ENTSOs, TSOs, ACER and NRAs and lessons learnt will be illustrated through practical case studies. Do the Network Codes meet the European expectation for a quick and efficient harmonisation of the European Gas Markets? What are the lessons learnt? With all the Network Codes in Gas now adopted, the next phases of implementation, monitoring and modification will come to the fore. This session will focus on the progresses and obstacles in the implementation of the Balancing, Harmonised Tariff Structures, Congestion Management Procedures and Capacity Allocation Mechanism Network Codes.

**11:30-12:15** The challenges of implementing Network Codes in Gas (governance rules, cooperation between ENTSOs, TSOs, ACER and NRAs, monitoring and modification process).

- **Mr Miguel Martinez Rodriguez, ACER**

**Q&A**

**12:15-13:15** *Lunch Break – CEER Office*

**13:15-14:00** Congestion Management Procedures and Capacity Allocation Mechanism Network Codes.

- a) Update on progress of implementation
- b) Importance of cross-border cooperation in implementation

- **Ms Tanja Held, BNetzA**

**Q&A**

**14:00-16:00** Harmonised Tariff Structures Network Code.

- a) Aims, understanding and routes to progress
- b) Obstacles and challenges of implementation
- c) Case study
- d) Other issues

- **Mr Benoit Esnault, CRE**
- **Mr Markus Krug, E-Control**

**Q&A**

**16:00-16:15** *Coffee break*

**16:15-17:30** Balancing Network Code.

- a) Aims, obligations, options
- b) Obstacles and challenges of implementation

- **Ms Joanna Buzar, URE**

**Q&A**

**17:30-17:45** Wrap up of Day 1.

- **Mr Benoit Esnault, CRE**

**17:45-18:45** Reception Drinks – all participants and lecturers are welcome to join.

**- END FIRST DAY -**

**Tuesday, 24 October 2017**  
**09:00-16:45**

## **SESSION 3 GAS TARGET MODEL – HOW TO CONNECT MARKETS**

The Gas Target Model was conceived in 2011 and updated in 2015. It is built on three pillars: enabling functioning wholesale markets (GTM Pillar 1), connecting markets (GTM Pillar 2) and enabling secure supply (GTM Pillar 3). In order to reach the Gas Target Model's vision of building a competitive and secure European gas market that benefits all consumers, a number of market integration tools have been identified and a number of regional initiatives have been implemented. This session will discuss some best practices and lessons learned from the ongoing market integration initiatives as well as opportunities and challenges of new initiatives to connect markets. It will address how competitive markets contribute to ensuring security of supply and the roles and responsibilities of regulators in the regulatory framework. In addition, how to deal with emerging issues in a dynamic gas market will be presented through good practices and regulatory approaches.

**09:00-09:45** Results of the analysis of cross-border gas trading in Europe, including optimisation of regional capacity management.

- **Ms Katerina Sardi, Director, SMRC Technic**

**Q&A**

**09:45-11:15** Best practices and lessons learned from ongoing market integration initiatives.

- a) BeLux (Belgium and Luxembourg market integration project).
- b) Iberian gas market (Integration of Spanish-Portuguese gas markets).

- **Mr Christian Cuijpers, CREG**
- **Mr Pedro Verdelho, ERSE**

**Q&A**

**11:15-11:30** *Coffee break*

**11:30-12:00** A single Baltic market – opportunities and challenges.

- **Mr Rolands Irklis, PUC**

**Q&A**

**12:00-12:45** Roundtable discussion on regional cooperation initiatives.

- **Course Director, all lecturers and participants**

**12:45-13:45** *Lunch Break*

**13:45-15:00** Security of supply and new EU regulation.

- a) Responsibilities of NRAs in the EU Regulation Recast Proposal
- b) Infrastructure aspects
- c) Cross-border cooperation, regional plans
- d) Cooperation with the Energy Community and non-EU countries

- **Ms Monika Zsigri, European Commission, DG ENER**

#### **Q&A**

**15:00-16:30** Emerging issues in a dynamic gas market that challenge the gas market fundamentals (e.g. storage, LNG), supporting innovation through investment regulation.

Roundtable discussion on good practices and regulatory approaches.

- **Ms Rocio Prieto, CNMC**
- **Mr Jacques de Jong, Clingendael International Energy Programme (CIEP)**
- **Ms Giuseppina Squicciarini, Shell Energy Europe (former Head of Regulatory Economics, Ofgem)**

**16:30-16:45** Wrap-up of Day 2.

- **Mr Tom Maes, CREG, GWG Vice Chair, Course Director**

**- END SECOND DAY -**