



Common support by European Industry Associations to the amendments adopted in the first reading of the 3rd package facilitating multi-system operation by TSOs

EFET, EUROGAS, EURELECTRIC, GEODE all welcome the amendments adopted in the first reading of the third package supporting greater regional cooperation between Member States and national regulators with a view to ensuring that TSOs provide an appropriate level of coordination and make further steps towards European market integration on the understanding that this will only work effectively with improved regulations and stricter oversight and enforcement which are important issues in the 3rd package. We refer to Amendment 55 to Article 5b of the Gas Directive 2003/55/EC and the Amendment 23 to the Article 2h of the Gas Regulation 1775/2005. [See attachment 1: Copy of amendments].

These amendments, when coupled with the structural proposals in the package related to transmission are essential to achieve the vision of the development of Regional Gas Grids under an ambitious timetable, an example of which was tabled by EFET and GEODE¹ at the last Madrid Forum which “*acknowledged the strong wish of users for fast progress and legislative measures in order to enhance progress in network cooperation on European level*”.² Achieving this will require the progressive development of regional integration via the establishment of interconnection agreements, including operational balancing accounts, the harmonization of network access rules at regional level, the development of multi-system capacity platforms, market based balancing, regional balancing and coordinated regional investment planning. This could lead towards regional entry/exit models (in 4-5 years) and joint regional network operation in appropriate areas. Further integration of these regions could eventually result in a European wide entry-exit model.

We believe in particular that strengthening the role of the Agency, as proposed in the article 5b of the Gas Directive, will be of the greatest importance in order to achieve the goals of this vision.

In the interest of all European gas customers and the whole gas industry we believe the proposed amendments must be supported by a clear timetable - as concluded by the Madrid Forum.

¹ EFET-GEODE joint letter TSO on cooperation included in the 14th Madrid Forum documents.

²Point 22 from the 14th Madrid Forum conclusions - *The Forum acknowledged the strong wish of users for fast progress and legislative measures in order to enhance progress in network cooperation on European level. EFET, IFIEC, OGP, GEODE and CEFIC consider that the concept of regional network cooperation presented by EFET and GEODE is a possible way towards enhanced market integration. The Forum invited ERGEG to consider the possible implementation of this concept in all Regions.*