



Implementating the 3rd Energy Package: An ERGEG Consultation paper

Lord Mogg, ERGEG chairman

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Objective of consultation



- Ø **Provide basis for debate on approach to implementation**
- Ø **Clarify who does what - especially between the Agency and the ENTSOs**
- Ø **Examine in detail how stakeholders can be involved in the proposed processes – such as for the development of Framework Guidelines and Codes**
- Ø **To accelerate the implementation process**
 - Ø **First reading of Parliament and political agreement of Council, but adoption not yet achieved**
 - Ø **Some uncertainties remain but main thrust now clear**
 - Ø **Implementation will take a long time – we should use the interim period to make progress**

Timetable – if everything goes well



Starting early - important for Progress



- Only Agency can take decisions and present advice to Commission under 3rd Package – not EREG or CEER
- However, preparatory work in the period from adoption to formal implementation of 3rd Package can be used by Agency and ENTSOs as basis for their formal decisions
- In this way faster progress can be made

The Agency



- The Agency will have to adopt its own consultation procedures
- However, ERGEG will enhance its own consultation processes for use during the interim period
 - The Agency could adopt the ERGEG ones (with or without amendments) which will be tested during the interim,
- Improvements to the ERGEG consultation include:
 - Impact assessments
 - Quality Charter
 - Call for evidence

Stakeholder panel



- Raised by stakeholders themselves
- Different sorts of panel could be envisaged
- Fully representative stakeholder panel
 - Hard to make properly representative whilst also being effective
 - Duplicates Madrid, Florence and other Fora
- ‘Ad hoc panels’ of expert customer, and network users
 - Around 10 members, not representative
 - Topic focussed – to supplement rather than replace new enhanced consultation processes
 - Organised under Madrid, Florence – or separately
 - Could inform policy development – e.g. on codes

Framework Guidelines and Codes



- Codes should be legally binding – and therefore drafted so they can be enforced
- We seek views on prioritising work on Codes
- We seek views on whether to group the list of technical areas into fewer Codes – perhaps three of four – in order to make the management of the strongest interactions easier in future
- Modification to codes is also important – especially how to ensure changes are coherent and collectively are directed at achieving a single market. Clear objectives are needed
- A public document is proposed to describe the working arrangements for co-ordination between the ENTSOs and the Agency – and the Regulators and EU TSO bodies in the interim

Proposed Code Priorities : gas

- Priority I: capacity allocation and congestion management rules; transparency rules; balancing rules;
- Priority II: rules regarding harmonised transmission tariff structures; interoperability rules;
- Priority III: security and reliability rules; grid connection and access rules; data exchange (although aspects of this area may have relevance to other, higher priority areas) and settlement rules; rules for trading related to technical and operational provision of network access services and system balancing; and
- Priority IV: operational procedures in an emergency, energy efficiency regarding gas networks.

Regional Dimension



- Need to recognise existing regional and national differences are very wide. A single market will take time
 - The development of binding and enforceable codes will need to take account of essential differences in approach between regions
 - Regional developments will continue and must be consistent with convergence towards a single market
 - Co-ordination arrangements to achieve this will build on the existing structures on the Regional Initiative
 - Stakeholders will continue to be fully involved through the Stakeholder panels and regional consultations on regional issues
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Consultation timetable



- Long consultation period to reflect complexity of issues and need for debate
- Consultation opened on 21 October and closes 31 December 2008
- Public Hearing planned for 11 December



Thank you for your attention!

**More information on the consultation paper and the 3
appendices is available at:**

www.ergereg.org
