GRI South – Progress and Outlook

Raúl Yunta Huete
CNE, SGRI Chair

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Progress on key projects

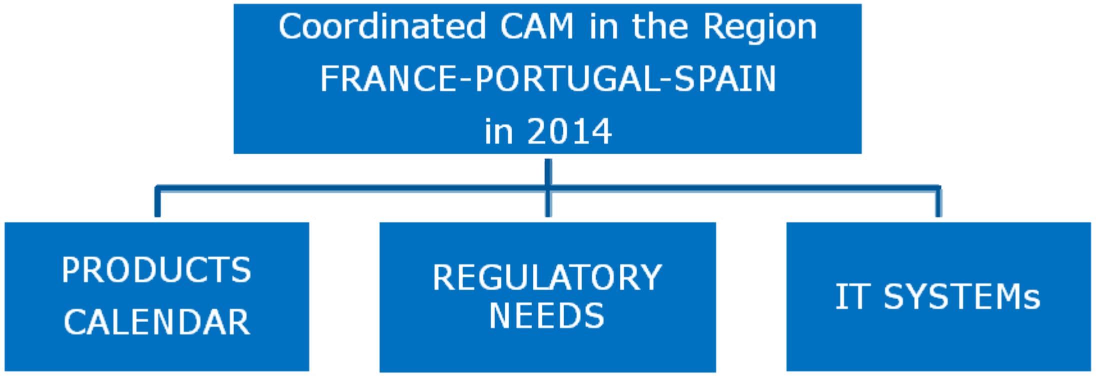
1. CAM Roadmap in the SGRI
2. CMP Roadmap in the SGRI
3. Hub development
4. Others

1. Capacity Allocation Mechanisms (I)

GOAL

Coordinated auction in the whole Region by **2014**, following the *Draft CAM NC*.

- CAM Roadmap in the South Gas Region by 2nd quarter 2013
- Definition of the capacity products and calendar to implement the CAM NC by 2014
- Developing regulatory framework allowing implementation: NRAs work in cooperation
- IT systems development to jointly allocate capacity



1. Capacity Allocation Mechanisms (II)

- Draft CAM Roadmap in the Region has been submitted to **Public Consultation in March 2013**. Final document will be published soon.
- Milestones set up to meet the goal in the SGRI:
  - ✓ To know available capacity products at all IPs.
  - ✓ CAM platform decision taken by TSOs soon.
  - ✓ TSOs IT systems ready by the end of year 2013.
  - ✓ Regulation adapted to new rules in place along 2013.
  - ✓ Draft MOUs, by December 2013.
- **Next auction** between Spain and Portugal will take place in June 2013.
- Allocation of capacity between France and Spain done yearly, last one in November 2013.

2. Congestion Management Procedures (I)

GOAL

- ✓ To implement **UIOLI LT, Oversubcription and Buy-back, Surrender** in the whole Region **by October 2013**, according to *Comission Decision of 24 August 2012.*
- ✓ UIOLI ST implemented by July 2016.

- **CMP proposal Roadmap in the Region** prepared by TSOs.
- Regulators have agreed on **basic principles and criteria** to be taken into account in CMPs definition.
- **Regulatory needs to adapt to new rules** have been identified.
- **Calendar** set up in order to implement the three mechanism by October 2013.

2. Congestion Management Procedures (II)

✓ Surrender

- Surrendered capacity reallocated **after** selling **all the available bundled capacity**
- Capacity will be sold **for next year** (starting quarterly).
- Allocation priority: **time stamp** when surrender equivalent products.
- Capacity to be **bundled** if possible.
- TSOs not to receive a fee

✓ UIOLI LT

- **TSOs to identify yearly underused contracts** before each auction.
- Formula to **calculate the capacity utilization rate** in each six month period.
- Definition of "capacity offered under **reasonable conditions" meaning.**
- Capacity will be sold **for next year** (starting quarterly).

✓ Over subscription and buy back

- **TSOs define firm additional capacity**, based on statistical analysis of unused capacity, technical aspects and capacities in adjacent networks.
- Shippers **won't renominate upwards** when the buy-back mechanism is launched.
- Buyback mechanism to be designed.
- **Gradual implementation.**

3. Hub development

GOAL

- ✓ Hubs in the region **set up and running.**
- ✓ **Hub to hub gas trading** in the whole region by **end 2014.**
- ✓ Analysis of the **possible models** for the integration of the Spanish and Portuguese gas markets in a common **Iberian Natural Gas HUB**:Market Area, Trading Region, Gas market integration via implicit allocation.
    - Document on the Iberian gas Hub by 2nd quarter 2013
    - Public consultation by 3rd quarter 2013
    - Final report by 1st quarter 2014
- ✓ **Working Group** in Spain with dynamic stakeholders participation to encourage gas hub development.
    - Monthly meetings since January 2013

4. Others

- **2013 GRIP South** is being developed in line with ENTSOG TYNDP
  - ✓ Public Consultations are planned.
  - ✓ Progress to be presented in IG, SG meetings.

- **PCI identification**
  - ✓ NRAs agreed opinion on the preliminary PCI list presented in EC meetings.
  - ✓ Progress will be presented in IG, SG meetings.

Thank you for your attention!

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