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## EREG PRESS RELEASE

### **Gas Regional Initiative Launched to Accelerate Single European Energy Market**

- ◆ **New Gas Regional Initiative launched by EU regulators on 25 April**
- ◆ **Initiative supports European Commission's policies on competition and security of supply**
- ◆ **Initiative designed to identify and remove barriers to competition in the initial four EU regions**
- ◆ **Overall aim is to speed up progress at a regional level as a stepping stone towards a single competitive market**
- ◆ **Call for active involvement from all involved, particularly industry**

A new Gas Regional Initiative (GRI) launched today (25 April) will help Europe move towards the development of a single energy market by identifying, and then removing, key barriers to competition on a regional level.

The European Regulators' Group for Electricity and Gas (EREG) has unveiled four Regional Energy Market (REM) projects which together tackle important areas such as gas networks, crucial to security of supply. A similar initiative was launched in electricity on 27 February 2006.

EREG Chairman Sir John Mogg said: "We are currently seeing major strategic policy from the European Commission, designed to deliver a competitive liberalised single European market. Our Gas Regional Initiative is entirely consistent with this aim and we welcome the support of Commissioner Kroes and Commissioner Piebalgs. The Presidency Conclusions of March 2006 also highlighted the need for accelerating the development of regional energy markets.



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The Regional Initiative will help by making progress at a practical level in the four regional markets we've targeted. This will bring real benefits to consumers by helping progress towards a more integrated single EU energy market. One area that the REMs will look at will be the operation of the gas networks in each region which are crucial to security of supply”.

“Each gas Regional Energy Market project will identify any barriers that prevent the development of a competitive energy market and find ways of overcoming them. This follows consultation with stakeholders who all supported the Initiative and we want them to continue to take an active part in the process.”

The initiatives will bring together regulators, companies, Member States, the European Commission and other interested parties, overseen by ERGEG which will monitor the process to ensure smooth progress towards a single energy market.

The initiatives will start in April and May and the first progress report will be presented to the Madrid Forum later in the year.

25 April 2006

**Ends**

**Notes to Editors:**

1. An ERGEG [Fact Sheet](http://www.ergeg.org) explaining the Gas Regional Initiative is available on [www.ergeg.org](http://www.ergeg.org).
2. The Gas Regional Initiative comprises four regional energy market (REM) projects set up to tackle, in a practical way, many of the problems highlighted in the European Commission's benchmarking report and the preliminary findings of the Commission's inquiry into the gas and electricity sectors.
3. The national regulator at the centre of each project will chair a co-ordination committee of regulators from the Member States involved. This committee will define the final geographic scope of the REM, direct working groups (made up of regulators, transmission system operators (TSOs), gas hub operators, and network users) and will consult stakeholders. The co-ordination committee will also consider how best to involve Member State Governments and the European Commission.



4. Each co-ordination committee will also prepare regular progress reports to ERGEG. ERGEG will then provide updates to the European Commission and progress reports at meetings of the Madrid Forum.

5. Indicative timetable

April-June 2006	ERGEG to report to the Madrid Forum (May) on establishment of the gas REMs and the Gas Roadmap Conclusions Paper Finalise membership Establish ways of working and governance Identify priorities
July-Sept 2006	Publish detailed timetable, establish stakeholder participation, collect view and other relevant information
Late Autumn 2006	ERGEG compiles a first overall progress report of the four REMs Consultation at Madrid Forum
2007 on	Carry out work established in the timetable

6. Four gas Regional Energy Markets are being created:

Regional Energy Market (REM)	Likely geographic scope (lead regulator in bold)	
North-West	<b>Netherlands</b> , Belgium, France, United Kingdom, Ireland	
North	<b>Germany</b> , Denmark, Netherlands, Sweden	Initially the North and North-West REMs will be run jointly, i.e. under the lead of the Netherlands. Once the first phase of the REMs has been completed the North region will revert to the leadership of the German regulator and will be separate from the North West REM.
South	<b>Spain</b> , Portugal, Southern France	
South-South East	<b>Italy, Austria</b> (co-chairs), Slovakia, Hungary, Slovenia, Greece, Poland, Czech Republic	



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7. The European Regulators' Group for Electricity and Gas (EREG) acts as an advisory group to the European Commission. Membership is limited to the EU energy regulators, and regulators from the candidate countries and the European Economic Area hold Observer status.
8. EREG's gas *Roadmap* papers (Roadmap for a competitive single gas market in Europe – [Consultation Paper](#) of November 2005 and [Conclusions Paper](#) of March 2006) are available on EREG's website ([www.ereg.org](http://www.ereg.org)) and set out background to this work.

*Press Contact: Una Shortall, tel: + 32 2 788 73 30  
E-mail: [una.shortall@ceer-eu.org](mailto:una.shortall@ceer-eu.org)*