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European Federation of Energy Traders

## Guidelines for Good Practice on Third Party Access for LNG System Operators (GGPLNG)

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- § **Guarantee fair and non discriminatory treatment between terminals**
  - § **Level of prescription in the guidelines is about right** in providing flexibility for regulatory authorities to recognise practical differences between terminals.
  - § **Arrangements to facilitate trading between regulated and TPA exempt facilities should be harmonised where practical.**
  
- § **Keep flexibility in commercial offer: GGPLNG should avoid over prescription** regarding how bundled and unbundled services should be offered, so that no barriers are created to innovation and product variations in the market.
  
- § **Level-playing field: Cross subsidies should be avoided** and they should be quickly phased out when they appear in regulated facilities
  
- § **Access to information:**
  - § **Consistent and user-friendly information provision** helps to stimulate market development.
  - § **Some requirements on information provision and on practical standardisation of UIOLI products may be usefully applied** to help improve trading opportunities in the short term and to achieve a more consistent regime into the long term business

- § **It is crucial that LSOs do not create barriers to the development of secondary markets** (e.g. by not putting in place the necessary arrangements to facilitate the market once there is a recognised need).
- § **Key principles:**
  - § **Improve trading arrangements to foster liquidity and make LNG a real complementary market to pipeline gas.**
  - § **The market should be free to deliver innovative products to meet demand** rather than be subject to the imposition of prescriptive solutions. This will help to facilitate the free trade and the flow of LNG.
- § **Where practical, trading arrangements should be harmonised at LNG importation facilities** to stimulate the development of trading on secondary markets
  - § Termination clauses
  - § Replacement gas
  - § Force Majeure standardisation
  - § Other relevant clauses related to EFET master agreements (credit support...)

- **The Guidelines are well balanced**, but changes can be expected in the LNG market - regulators and LSOs will need to adapt their practice to commercial changes
- **Implementation must aim to facilitate wider investments** and the trading activity so that LNG is increasingly fungible with pipeline gas.
- **Careful market consultation** needed during implementation.
- **Avoid cross subsidies** and eliminate barriers to market development
- **Harmonisation of contractual terms** relating to the Master Trading Agreement ... EFET is starting work on this



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