

# GIE Initial Reaction to Article 22 GGP and EN

Madrid Forum  
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# Introduction

- GIE welcomes the opportunity to comment on both the ERGEG GGP and the EC EN on Article 22
- Investment in gas infrastructure is vital for the effective current and future functioning of the gas market in Europe and there is significant demand from gas suppliers and end users.
- Article 22 remains a vital tool to ensure investment that could enhance competition and security of supply takes place

# Position on Article 22

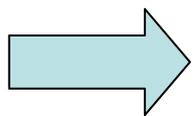
- GIE, having carried out a member survey on this subject, is not aware of any major concerns regarding the existing guidelines
- The number of exemptions granted to date demonstrates the success of article 22 in attracting investment
- Clarification of the process by which exemption applications will be considered may be useful, in particular concerning consistency and transparency across Europe
- Guidelines should stay within the scope of Directive 2003/55/EC and Regulation 1775/2005
- It remains important that exemptions are judged on a case-by-case basis
  - Some flexibility is appropriate to account for individual project specifications, and guidelines must be broad enough to be applied without the risk of conflict with national market circumstances

# General Comments on Guidelines

- Review of an exemption should only be subject to the applicant breaking applicable law or not complying with the conditions set in advance by authorities – scope beyond this may undermine investment decisions taken, and indeed hinder future decisions being made
- Clarity and certainty in timings associated with the processing of exemption applications is vital to allow applicants to fully analyse the risk of application
- There must be an appropriate balance between the information requirement and associated costs to the project initiator
- In the specific case of granting exemptions to LNG terminals it should be considered that those exemptions are not detrimental to existing regulated LNG terminals in the same market area

# Wider Investment Debate

- It is important that the investment debate is not dominated by article 22
  - A stable and predictable regulatory regime is needed across Europe which encourages and facilitates investment
- It is clear that such a climate has not yet been achieved, in particular for inter-Member State infrastructure
- This has been acknowledged in the EC's 3<sup>rd</sup> Energy Package



The debate must focus on rectifying this and ensuring the necessary climate for investment

# Conclusion

- GIE welcomes involvement in the development of any guidelines on article 22, as well as the wider investment debate
- GIE has provided detailed comments on ERGEG's draft GGP
- GIE has the intention of providing similar comments on the EC EN