

Madrid Forum: 22nd – 23rd May 2008

Views by Eurogas
on

Gas Regional Initiatives – Progress
Report and Best Practice Solutions
(Item 6)



THE EUROPEAN UNION OF THE NATURAL GAS INDUSTRY

Since the last Forum, Eurogas has perceived some encouraging progress in the three regions, but the impetus must be maintained and progress accelerated.

Suppliers/system users representatives have to continue to be convinced of the added-value of the GRI activity for their companies' interests.

This means for them that there should be faster progress and that it demonstrably takes into account views of system users.

Responsibilities of shippers are to:

- Be clear about their service needs – contribute to design of technical rules/also rule changes.
- Respond to consultations on future demand/supply forecasts - important indicator of investment needs.
- Initiate and participate in market instrument development.

Specific comments on the three regions (1) South:

- The South Region is recognizably a single issue region.
- Project management is robust and company representatives welcome signs of progress.
- Unless the interconnection issue is solved satisfactorily in a timely way, the southern market cannot make progress in other areas, notably the development of a hub and other common market instruments.

Specific comments on the three regions (2) SSE

The SSE region is juggling a number of important issues.

Project management is robust, there is progress and, equally important, reasons for lack of progress are examined, with appropriate follow-up.

From the outset, Eurogas has appreciated the high level of stakeholder involvement.

Although ultimately questions discussed are for SSE GRI partners, some are of wider importance (e.g. secondary trading obligations) and we are currently studying them.

Specific comments on the three regions (3) NW

With regard to the NW region, Eurogas welcomes the Roadmap and the efforts to improve project management.

In our comments on the Roadmap, we expressed concern that more priority was not given to the balancing issue, and hub functioning is also arguably a neglected issue.

The work streams have to be focused. We share the concern expressed by EFET that a proposed work stream on system use has no clear goals.

The goal should be to increase involvement of system users in work streams on transparency, capacity etc.

Individual TSOs should be anticipating the Third Package requirements to deliver better co-ordination of their decisions and activities of TSOs.

Eurogas welcomes the setting up of GTE+ and its work to prepare for ENTSOG.

Eurogas also welcomes the work being done on the Transparency and Interoperability Platforms.

So much can be done by industry, BUT it is essential that pending the implementation of measures to strengthen and formalise regional co-operation in the Third Package

- Regulatory co-ordination and co-operation, including exchange of necessary information contributes to meeting regional aims, notably facilitating cross-border investment and transactions.
- Current NRA decisions should take account of regional cross-border issues and interests.
- Political commitment supports the process.