



## Open seasons in European Markets: Overview and initial lessons learned

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# Agenda

- **Current status of OS**
- **Lesson learned**
- **extra slides:**
- **Brief overview of a sample of European open seasons**

# The Guidelines for Good Practice for Open seasons (GGPOS)

- | The GGPOS were adopted on 21 May 2007, after extensive consultation with stakeholders
- | The main features of the GGPOS are
  - Ø The structure of open season
    - Ø First step: assessment of the market's needs on the basis of an open season notice and through non binding capacity requests from interested parties
    - Ø Second step: Capacity allocation and capacity contracts
  - Ø Coordination between adjacent SOs and between regulators
  - Ø Transparency at all steps of the procedure and sufficient lead time for shippers

## A growing number of open seasons in Europe

- | A significant number of open seasons have recently been or will soon be launched : Fluxys / GRTgaz, GTS 2012, E.ON Gastransport, BBL, TIGF / Enagas, OPAL (Wingas), BOG (Austria), LNG Terminal of Wilhelmshaven, LNG terminal of Montoir
- | Among these open seasons, the following sample has been analysed (see extra slides):
  - Ø Fluxys / GRTgaz
  - Ø Gas Transport Services (GTS) 2012
  - Ø BBL
  - Ø E.ON Gastransport (EGT)
  - Ø OPAL (Wingas)
  - Ø Enagas / TIGF

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# Lessons learned

**Most of the OS have encountered difficulties:**

- I The main principles of the GGPOS are not always complied with:**
  - Ø the overall transparency of the procedure
  - Ø the publication of the open season notice and its content
  - Ø the length of the bidding phases
  - Ø the necessity to provide tariff forecasts and to stick to them once the capacity is developed
- I Coordination issues**
  - Ø coordination between TSOs and regulators is possible, as proved by the ongoing coordinated open season
  - Ø one of the main obstacles to coordination is the confidentiality of data claimed by certain TSOs, thus hindering necessary information exchange between TSOs

## Next steps

- | The main principles of the GGPOS should be, at least, complied with, as they provide “floor” requirements in order to ensure transparent and non-discriminatory open seasons
- | GGPOS could be further improved in the following area:
  - Ø the assessment of demand through the first non-binding phase needs to be more realistic
  - Ø there is a necessity to assess how much additional or “spare” capacity, if any, should be developed for short term needs or security of supply reasons on top of the capacity requested through the open seasons
  - Ø need to determine whether a maximum lead time between open seasons and effective capacity provision should be fixed
  - Ø provision of more concrete guidance regarding the coordination of adjacent SOs on the basis of the experience gained through the ongoing coordinated open seasons
- | The NW GRI could act as a pilot for open season coordination, as this issue is on its agenda

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## Fluxys / GRTgaz

- | In April 2007, Fluxys and GRTgaz decided to launch 2 coordinated open seasons for the North-South transit in Belgium and the entry into France through the interconnection point of Blaregnies / Taisnières
- ⇒ Fluxys and GRTgaz to determine together and coherently the necessary investments in Belgium and France

## Fluxys / GRTgaz – Achieved steps

Date	Fluxys	GRTgaz
<b>April 2007, 26<sup>th</sup></b>	<b>Publication of a coordinated information memorandum</b>	
<b>May 2007, 14<sup>th</sup></b>	<b>Participation in the meeting organised by GRTgaz</b>	<b>Organisation of a meeting with shippers</b>
<b>July 2007, 31<sup>st</sup></b>	<b>Receipt of non binding applications</b>	
<b>December 2007, 5<sup>th</sup></b>	<b>Signature of a MoU between GRTgaz and Fluxys (coordination)</b>	
<b>December 2007, 6<sup>th</sup></b>		<b>Publication of allocation and contractual rules</b>

## Fluxys / GRTgaz – Status

- | **Results of the first non-binding phase: 39 shippers in Belgium and 37 shippers in France requested capacity**
- | **Capacity requests broadly congruent on each side of the border**
- | **Problem: short term capacity on top of the requested capacity provided only on the French side**

**Fluxys and GRTgaz jointly decided to postpone the second phase of the open season**

- | **At the request of shippers**
- | **Because of a conflict regarding transit tariffs in Belgium**

## GTS 2012

- | **Open season 2012 of GTS: primarily aimed at parties wishing to contract capacity at boundary points and at storage connection points**
- | **Timetable:**
  - Ø **1 July 2007: Start of the Open Season 2012**
  - Ø **15 August 2007: Deadline for interested parties to send in the application form**
  - Ø **30 September 2007: End of bilateral consultations**
  - Ø **30 November 2007: End of GTS capacity investigations**
  - Ø **31 January 2008: Precedent Agreements signed**
  - Ø **1 April 2008: Capacity Phase I definite**

## GTS 2012

- I **GTS' open season provides the possibility for shippers to coordinate their capacity requests with their requests on other networks:**
  - Ø **Possibility for shippers to adjust their bids by GTS until March 31st 2008 if they are not allocated the required capacity by the adjacent TSO (Capacity Phase I)**
  - Ø **Reaction of GTS to the postponement of the coordinated open seasons of Fluxys and GRTgaz: Delay of the adjustment of capacity by GTS until September 1st 2008 at the latest, with the restriction that this capacity can only become available after 1 October 2012 (Capacity Phase II)**

## E.ON Gastransport (EGT)

- | **EGT launched an open season for its whole network in January 2008**
- | **First phase (non binding capacity request): 25 Jan to 14 March 2008**
- | **Second phase: 19 May to 1 August 2008**
- | **Little coordination with adjacent TSOs, partly due to the large network area / amount of interconnections covered in this pilot**
- | **GRTgaz could develop the capacity requested by shippers allocated capacity by EGT at the German-French interconnection point of Medelsheim / Obergailbach, if any**

# OPAL

- | **OPAL: Pipeline proposed by Wingas (in cooperation with E.ON Ruhrgas) to transport Nordstream gas landing near Greifswald to Olbernhau (German/Czech border)**
- | **In conjunction with an Art. 22 exemption case, Wingas Transport launched its first open season for OPAL, NEL and KAPAL on 13 Aug 2007 allowing for non-binding capacity requests until 31 Aug 2007**
- | **In Oct. 2007, Wingas started its second open season for OPAL only: This time offering a period of 6 weeks for non-binding capacity requests**
- | **No published results to date**

- | **BBL launched an open season for the Netherlands to UK pipeline in May 2007**
- | **First phase: 24/05 to 06/07. 18 companies expressed their interest in forward capacity**
- | **Q2/Q3 2007: Discussion with customers that have signed the Confidentiality Agreement, leading to the Heads of Agreement**
- | **In March 2008, four shippers had signed capacity agreements**
- | **April-May 2008: decision on investment pending**



## TIGF / ENAGAS

- | Ongoing coordination between regulators and TSOs for the Spanish-French interconnection points
- | A coordinated OSP procedure for allocating the existing capacity has already been finalized
- | An open season procedure is being developed for the expansion of existing interconnection points (Larrau and Biriatu) and the creation of a new interconnection point (Midcat)
- | Open seasons are:
  - Ø Required in France
  - Ø Not required in Spain (central planning), but jointly conducted by Enagas for coordination

- I **Estimated Timetable (Larrau and Biriatu)**
  - Ø **Preparation of Info Memo: S1 2008**
  - Ø **Publication of Info Memo: Q4 2008**
  - Ø **Signature of Interface Agreements between TSOs: Q4 2008**
  - Ø **Publication of allocation and contractual rules: Q4 2008**
  - Ø **Binding requests: Q1 2009**
  - Ø **Capacity allocations: Q1 2009**
  - Ø **Decisions to build: 2009**

# Thank You !

- Further information is available at  
[www.energy-regulators.eu](http://www.energy-regulators.eu)