



DIRECTORATE-GENERAL FOR ENERGY

GAS COORDINATION GROUP

24 September 2013

Agenda and summary minutes

Brussels, Conference Center Albert Borschette

(CCAB Room 3A)

(10.00-16:00)

I. Approval of the draft agenda and introduction

II. Cooperation with Third Countries – Ukraine

The Group welcomed the participants of Naftogaz and Ukrtransgaz. The Ukrainian representatives informed the Group about the main features of the Ukrainian gas market (total gas consumption in 2013: 51 Bcm, total gas imports: 33 Bcm, total domestic production 20.5 Bcm) and the main milestones about the planned reforms in the Ukrainian gas sector including diversification. Ukrtransgaz presented the main characteristics of the Ukrainian gas transmission system.

III. The role of underground gas storages in security of supply and the implications of current storage levels / storage use patterns - *Impacts of changing storage use on security of supply; Role of UGS in SoS in Central-Eastern Europe*

GSE presented the storage levels in the EU, which amounted to 58 Bcm – lower than in 2012 and in 2011. On the one hand, this was due to the late start of the injection season in 2013 because of the cold spring. The other reason was the historically low summer-winter spread, which didn't incentivize shippers to store a lot of gas in the storages.

E.On Földgáz Storage Zrt. presented the situation in Hungary, the various gas market features in the EU and the potential storage tools related to the security of supply.

IV. Update on the current security of supply situation and expectations for the winter

Member States updated the Group about their security of supply situation. There were no immediate threats reported, all Member States were confident about their supplies.

V. Introduction to the web-conference tool by the Commission



The Commission presented and tested with the participants the IT Platform, with which the Group can be convoked virtually in a matter of hours. The aim of the tool is to be able to provide an easily and rapidly accessible communication channel to exchange information.

VI. Ensuring supplies to protected customers in the winter of 2013/2014 – implementation and monitoring of the supply standard

In the framework of Regulation 994/2010, the implementation of the supply standard is an obligation put on natural gas undertakings to supply gas to protected customers in certain climatic conditions. The Group discussed the questions related to the practical implementation and monitoring of this obligation.

VII. Gas market trends - *Medium Term Gas Market Report; The latest trends on European Gas Markets*

The International Energy Agency (IEA) presented the main findings of its Medium Term Gas Market Report. This flagged inter alia that gas in Europe is less competitive than coal due to the mix of various circumstances, European gas production is declining, resources are low and import will increase. LNG markets are expected to remain tight until 2016 with few cargoes ending up in Europe. The Commission presented the latest trends in European gas markets, which largely correspond to the findings of the IEA. The Commission highlighted that trading on European gas hubs continued to increase and the share of gas consumption priced on a gas-to-gas competition basis continue to be on the rise.

VIII. Any other business

The Joint Research Centre informed about its upcoming training Course on Methods for the implementation of the EC Regulation 994/2010 on Security of Gas Supply
The next meeting of the Group was going to take place on 17 December 2013.