

**North West – 21st RCC**

12 May 2011

EK offices, The Hague

**DRAFT MINUTES**

Participants			
Robert	Spencer	NMa/EK (Chair)	
Menno	van Liere	NMa/EK	
Meinoud	Hehenkamp	NMa/ EK	
Marie-Claire	Aoun	CRE	
Juergen	Dengel	BnetzA	
Christian	Wolf	BnetzA	
Valerie	Handschuch	BnetzA	
Bjorn	ter Bruggen	EI	
Claude	Hornick	ILR	
Henrik	Nygaard Jensen	DERA	
Konrad	Keyserlingk	Ofgem	
Geert	van Hauwermeiren	CREG	

**1. Approval of the agenda and approval of minutes 20<sup>th</sup> RCC-meeting**

On behalf of NMa, Robert Spencer welcomed all participants to the meeting and especially the representative from ILR (the Luxembourg NRA). ILR explained that Luxembourg, up to now, has not been part of the regional initiatives. With the coming into force of the third package (which calls upon regional cooperation) they felt the need to formally do so. Given the geographical location of Luxembourg, GRI NW was an obvious region to join and ILR in this matter appreciates the efforts NMa has made to make this possible. Following this announcement, the agenda for the meeting and the minutes of the previous RCC-meeting (September 2010) were approved.

**Decisions agreed:**

- The draft agenda and minutes of the 19th RCC-meeting were approved.

## 2. Update on current projects

### 2.1 GRI NW Project update Transparency

Ofgem (as project leader) explained that the project has been suggested by EFET during the Stakeholder Group meeting of GRI NW (November 2010). The aim of the project (as proposed in the project plan) is to assess whether the Transparency requirements in the third package are properly implemented by TSOs within our region. In the view of Ofgem, this project can achieve practical results that can be presented during the upcoming Stakeholder Group meeting of GRI NW (an important driver for many stakeholders). Next to that, it can result in a speedy implementation by TSOs and a more efficient way of working for NRAs as compliance is checked on a regional level. This could be a good example of NRA cooperation through the regional initiatives avoiding duplication at the national level.

Ofgem also explained the view of different stakeholders: ENTSO-G is not in favour of the project: most TSOs are already working on the implementation of the Transparency requirements and finding common definitions on a regional level is a bit too late. EFET (as founding father of the transparency work) see value in GRI NW undertaking a monitoring exercise and said that key lessons learnt should be transported to other regions and at EU level. Additionally, the project could also focus on information requirements on balancing (get agreement on harmonisation and gas balancing information requirements), but for now focus the focus should be on direct implementation.

BnetzA explained that they have already performed work on a national level that is related to the implementation of the Transparency requirements by German TSOs. However, they support the GRI NW project and are comfortable if compliance check is performed on a regional level. An important requirement for success is to find common ground on definitions but the question is to what extent this will still be possible as implementation of the Transparency requirements is "work in progress". Also CRE expressed their support to the project, but indicated that they have issued a public consultation for Transparency. Although the results are expected at the end of May, they feel that the project should have a jump start, otherwise it could loose the momentum.

NMa indicated that they agree with CRE: the longer it will take to start the project, the less effective the project will be as TSOs are going forward with implementing the Transparency requirements. Also, they feel that the project can monitor the compliance of TSOs and even if no agreement could be found on definitions, GRI NW could show to the European Commission and ACER what regional differences exist (and why). However, in order for the project to be successful, commitment of all NRAs is essential, therefore all NRAs committed to be responsible for ensuring the template is completed for their respective TSOs in the appropriate timeframes

Ofgem suggested that a quick agreement on the template is necessary and relevant stakeholders should be asked to indicate whether they see added value in the template. In this matter, both BnetzA and CRE indicated that they feel that if the template is agreed upon within four weeks, they will not get into a time squeeze. NMa suggested to use the English versions of the third package when elaborating the template, as translations sometime give a surprisingly different meaning to an article.

Decision agreed:

- Ofgem will seek RCC agreement on a draft template electronically
- Ofgem will informally consult stakeholders
- Ofgem will then seek agreement on the final template
- Each RCC representative committed to ensure that the template is completed in respect of their TSO(s).

**2.2 GRI NW Project update Investment**

CRE (as project leader) explained that the project has two aims: it will monitor the open season between France and Luxembourg & feed the lessons learned into the GGPOS and will assist ENTSO-G in the Gas Regional Investment Plan (GRIP). In this matter, CRE indicated that the GRIP for our region will be developed by Fluxys, but TSOs (through ENTSO-G) have made clear on several occasions that they appreciate RCC's help, but only if they feel this is necessary. With regard to the regional level, ENTSO-G does see an opportunity to have a time slot at the upcoming Stakeholder Group meeting to provide information on the GRIP of our region.

CRE explained that the precise timing of the drafting of the GRIP is not clear and NRAs are currently not involved in this process (not individually and not on a GRI NW level). Also, there are no clear criteria that will be used to assess the GRIP. In this matter, NMa asked the question whether NRAs should be involved in the GRIP. CRE indicated that the RCC has written a note in 2010 as to determine what would be the value added of the GRIP for GRI NW and it was concluded that this would be on cross border issues and Security of Supply. NMa therefore suggested that (as we see added value) the RCC should develop minimum requirements for the GRIP and that these requirements should be shared with others.

Decision agreed:

- CRE will draft a letter that will be send to Fluxys (as the drafting TSO), but also ENTSO-G and other lead regulators. This letter will be send by before mid June (as there will be a follow up on Investment in July) . During the upcoming government meeting, CRE will also present an update to member states.

**3. Upcoming Government meeting in Bonn****3.1 Update on preparations**

Programme Office presented the final draft agenda of the meeting that is kindly hosted by BnetzA and explained that the meeting will have three "building blocks: dialogue on the Gas Target Model, pre-comitology on (Framework) Guidelines, network codes that are currently being developed and update on the current GRI NW projects. Also. Programme Office emphasized that there are four elements that member states would like to see addressed with regard to pre-comitology: the principles as defined in each Framework Guideline and network code, market parties reaction to each Guideline and network code, the impact of each Framework Guideline and network code on the market and understanding potentially difficult issues early in the process before codes reach comitology.

### 3.2 Discussion of pre-comitology presentations

All NRAs that are in the “driving seat” for drafting a Framework Guideline presented the presentation for pre-comitology that will be given during the government meeting. NMA suggested that the RCC should explain clearly what stakeholders opinion are and that no “sticky issues should be hidid from member states. CREG suggested that the presentations (especially on the Gas Target Model) should not be too technical, but to be kept on a high level. In parallel, CRE suggested that it should be made clear what is the work of consultants and what is the opinion of NRAs.

Ofgem suggested that we should built on the direction that NRAs have set forward at the Madrid Forum and indicated that the comitology Guideline for CMP could be discussed together with the Gas Target Model (given the fact that CMP is a big part of the Target Model). However, several NRAs indicated that the European Commission should be offered the opportunity to present the status quo and if they pass this opportunity, one NRA has to do so.

#### Decision agreed:

- The presentations will be revised based on the feedback of the RCC and send to Programme Office by Wednesday 4 May. Programme Office will – in case the European Commission will not give a presentation on CMP – ensure that a speaker will be found.

## 4. Any other business

### 4.1 Update on future role Regional Initiatives

Programme Office presented the most important elements of the consultation document that the European Commission has released at the end of December 2010.

In essence, the European Commission has presented the following views: tasks (Implementation of the EU acquis, Pilot testing and regional specific issues), governance issue (creation of a Regional Steering Committee) and shape of regions (split up of SSE-region). Based on the feedback received, the European Commission – during the Madrid Forum of March 2011 – announced that there seems to be agreement on the tasks of the regions, but this is not the case for the regions and governance. As such, the European Commission has proposed to retract the Regional Steering Committee and introduce an “RCC-new style” (where EC, ACER, NRAs, ENTSO-G and Eurogas would participate, while member states should at least be involved one time per year). With regard to the regions, again a few suggestions were done for new regions. Mid April, the European Commission has indicated in a letter to CEER that they – at least for now – will not change the regions and that each region should determine how the governance (especially the involvement of member states) should be organized.

Programme Office also explained that the GA of CEER has decided that a vision paper should be drafted that explains the view of NRAs on the regional initiatives (especially on governance). CNE (as former RIG-chair) will draft the paper, but the precise timing and next steps are not yet clear.

## 4.2 Discussion on European Energy Work Plan 2011 – 2014

Programme Office explained that the European Commission has invited all regulators, under the coordination of the lead regulator, to elaborate a European Energy Work Plan 2011 – 2014 for their region. The aim for each region is to determine steps allowing to reach common goal for 2014 and detail each step to succeed in achievement of a Pan-European Energy Market in 2014.

Programme Office has contacted the European Commission (for more guidance) and lead regulators as to understand their approach and status quo of the plan. The South region has indicated that they have drafted a work plan for 2011 – 2012 and they see this as a first good step. The South South East region just had a Stakeholder Group meeting and stakeholders at this occasion were asked to provide input on several questions. As such, this region is at the start of the drafting process.

The question for GRI NW is now: what will be starting point for the work plan? In this matter, Programme Office explained that the European Commission has not giving much guidance on this issue, but that the consultation document does state that each region should focus on the implementation of the network codes. Next to that, GRI NW has indicated in their Roadmap that the region should focus on coordination of the implementation of network codes and performing pro-active work (e.g. pilots that are related to Framework Guidelines). As such, Programme Office suggested that the European Energy Work Plan of GRI NW should focus on the implementation of the network codes.

Ofgem asked why the European Commission is in such a hurry, Programme Office responded that it was agreed by the heads of states that in 2014 the internal energy market should be finalized and now that this date is approaching rapidly, work is set in motion. The general consensus of attending NRAs is that GRI NW should not make it too difficult: keep it simple. One suggestion of several NRAs was to identify possible pilots (the existing Framework Guidelines provide more than enough basis for this).

Programme Office suggested that 2 approaches could be possible: 1) the region determines what it wants to achieve or 2) it is determined what is needed to have an internal market in 2014. Although the second approach is probably the most preferred one, most NRAs indicated that the first approached is – given the time pressure – the most feasible one. Also, GRI NW should identify what pilots could be performed within the region.

### Decision agreed:

- Programme Office will elaborate a first draft of the work plan (basic structure) and will try to send a first draft before the government meeting. Next to that, in cooperation of NRAs, possible pilot projects will be identified. The Programme Board for advice and check whether TSO have received a request and their opinion

**5. Next meetings**

The next RCC (and IG-meeting) will take place on 15 September in The Hague. Within two weeks, the government meeting will take place in Bonn.