

ACER

Agency for the Cooperation
of Energy Regulators



Hungarian Energy and
Public Utility Regulatory Authority



ENERGY AGENCY
OF THE REPUBLIC OF SERBIA

Energy Agency of the Republic of Serbia

31st Regional Coordination Committee Meeting GAS REGIONAL INITIATIVE – SOUTH SOUTH-EAST

17-18 May 2017, 14:00 – 17:30

Budapest, 52. Bajcsy-Zsilinszky út,
HEA premises, 1st floor, Conference room

Draft Minutes v1

Link to meeting documents: <http://www.acer.europa.eu/Events/31st-Regional-Coordination-Committee-RCC-Meeting/default.aspx>

Participants

No.	Surname	Name	Organisation
1.	Aved	Szilárd	HEA
2.	Brzeczowski	Stanislaw	URE
3.	Cioffo	Vincenzo	AEEGSI
4.	Cvetkovic	Mileva	AERS
5.	Dobracki	Jacek	URE
6.	Galletta	Riccardo	ACER
7.	Golonka	Karolina	URE
8.	Hesseling	Dennis	ACER

Comment [RG(1)]: It must be somebody else, he works for the TSO

9.	Ischia	Alessandro	E-Control
10.	Jermanova	Viktoria	EWRC
11.	Korosi	Tamas	HEA
12.	Kovacs	Krisztina	HEA
13.	Kryvonoh	Tetiana	NERC (Ukrainian NRA)
14.	Marsenic	Branislava	EnC Secretariat
15.	Mitrovski	Dalibor	Energy Regulatory Commission of the Republic of Macedonia
16.	Popadic	Aleksandar	AERS
17.	Sandor	Balázs	HEA
18.	Saraqini	Astrit	Kosovo
19.	Savca	Tatiana	Moldova
20.	Shuli	Maksim	ERE Albania
21.	Stratulat	Elena	Moldova
22.	Svoboda	Martin	ERU
23.	Tobescu	Florin	ANRE
24.	Tomic	Milenko	State Electricity Regulatory Commission Bosnia and Herzegovina

1. Welcome; Approval of the Agenda and Minutes

Mr. Körösi host and co-chair of GRI SSE, representing the HEA has chaired the meeting and has welcomed the participants.

The agenda of the current and the minutes of the last meeting have been approved, the latter with slight modification.

2. Recent developments in the Region

Mr. Hesseling asked participants to use the opportunity during this agenda point ~~and to give ask for~~ guidance on ~~developments in their respective~~ issues which may be relevant to several countries as well as to inform the group on those issues which are of border relevance to neighbouring countries in the region. This programme point is meant to be a forum where question can be raised, assistance can be requested from each other in particular issues.

2.1. Updates on national issues of regional relevance – round table and questions to the group

During the round table Viktoria Jermanova, the representative of the Bulgarian NRA held a presentation and reported on the development of the NC implementation. EWRC has approved all necessary documents for effective implementation of the new balancing regime. TSO Bulgartransgaz has been applying the balancing regime in its entirety as of 1st of May but there will be a test period till October. During this period the imbalance charge will only be communicated to shippers and not applied. With regard to CAM NC the RBP is in operation since December 2016 on 4 IPs 3 with RO and 1 with EL. First auction procedures on daily, monthly, quarterly and yearly capacity products can be held on regular bases in compliance with the published tender calendar. At EL-BG IP 3 mcm/d interruptible capacity is available in both directions, 1 mcm/d bundled firm capacity will be offered in EL-BG direction.

Mr. Svoboda (ERÚ) has informed the group on the task ongoing in the CAM TF (namely the investigation of LT bookings along the route Nord Stream II landing point - CZ - SK) and reported on the Net4Gas letter that says the capacity was offered in accordance with CAM NC on the 6th of March.

Mr. Shuli, Albanian representative told that there is no gas market in Albania. They cooperate with the Italian and Greek energy regulators [on TAP](#).

Mr. Dobracki new Polish representative after having introduced himself updated the participants on the TAR NC implementation in Poland. As he said there are still some inconsistencies between the Polish energy law and the TAR NC, e.g. concerning the dates of entry into force. [Currently URE decides on who shall carry out certain provisions of TAR NC the TSO or NRA.](#) [Most probably the consultations will be done by the TSO, but publication by URE.](#)

CAM NC has also been implemented and Gaz-System has developed its own auction platform which was recommended to Ukraine as well and through which bundled products can be offered.

Mr. Hesselning asked about the situation of storage obligations in Poland. Some further information will be provided on the topic which can be found on homepages of URE and TSO.

In Macedonia there is a small gas market with only one entry point. The regulatory commission of the country is currently dealing with the new energy package. There is a new draft on new tariff system and market rules.

Mr. Tobescu from Romanian NRA informed the group that ANRE became responsible also for the district heating sector lately. The natural gas market is [partially](#) liberalized, only households are still regulated. Since the recent step of liberalisation in April the natural gas prices have been increased slightly. There are rumours that there will be one single [gas](#) market operator in Romania, currently the country has two.

Mr. Tomic from Bosnia and Herzegovina reported that there are [Energy Community](#) sanctions against BiH and the gas policies should be regulated on state level, which is currently not the case. The consumption of natural gas has increased during the first four months in the federal country.

Mr. Popadic (AERS) informed the participants that there is a simplification process in Serbia that aims the better protection of new suppliers. The NRA is also dealing with DSO licencing and the unbundling of TSOs is ongoing.

Mr. Balázs reported that Hungary has triggered the investigation on the annual capacity auctions of 6th of March. There were heavy discussions in the HEA before taking this difficult decision and issuing a resolution that prohibited auctions starting from the year 2019 on IPs AT-HU and SK-HU. Answering to Mr. Hesselning's question he told that there is no place for appeal against the decision.

Comment [DH(2)]: This seems unlikely – do you remember what he said?

Comment [RG(3R2)]: I think the debate was about the fact that the Polish energy law assign certain activities to the TSOs, which should be carried over by the NRA. Or at least, that the activity assignment was unclear or not satisfactory.

To be clarified by the NRA.

It was a shock for the concerned NRAs, TSOs, traders, ACER and COM as the decision has taken just some days before the auction. The preliminary results of the auctions have shown that there were massive long-term bookings on the route. Since then HEA has had a meeting with the neighbouring and affected country's NRAs (AT, SK) and agreed to conduct detailed analysis and common decision on capacities to set aside in the future. Such common decision should be made in May well before the annual capacity auctions in July.

HEA has been working on the implementation of BAL and CAM NCs, the balancing regime has been changed slightly. The reformulation of the capacity booking regime towards DSO-s, end users and domestic exit points is in progress in order to have a clear and simple capacity trading

The open-season procedure on ROHUAT project will commence soon. In order to foster trade and easier access to Hungarian market the local currency has been changed by EUR on Hungarian gas exchange.

Since 1st of January the new transmission tariffs have been reduced dramatically, by appr. 30%. Last tariff revision took place in 2010.

Mr. Ischia (E-Control) reported on the Austrian situation. Concerning CAM NC, incremental capacity was offered last year at IP with Slovenia. A Gantt chart on the implementation of CAM incremental amendment has been circulated among Austria's neighbouring NRAs. There is a complex situation in Germany and Italy but the cooperation with Slovenia is relatively easy. At the CZ hub the liquidity is not satisfactory.

Regarding market integration Austria has investigated 6 scenarios¹ to see which neighbouring markets can be integrated with the Austrian one. The results showed that the most beneficial scenario would be with IT (generating 315m EUR benefit).

Mr. Cioffo (AEEGSI) informed the GRI SSE members that the Italian NRA became responsible for approving the national development plans according to the new law on infrastructure.

The Georgian representative reminded that Georgia became officially the member of Energy Community last month and hopes that the gas market will show development. They are working currently on TSO network codes.

The Moldovan energy regulator is working on secondary legislation related to third energy package.

The Ukrainian representative informed that there were discrepancies concerning licenses but since April the issue has been solved. Public service regulation is still in place for an additional year.

2.2. GRI Annual report

The last year's report has been published in February 2017. This year no report will be compiled, instead promoters will provide an update on the progress of their respective project around November or December.

2.3. Updates on the ACER GRI Coordination Group

Guests from the Baltic Gas Cooperation have joined the last meeting by telco which was held in Ljubljana on 21st of February 2017. Next meeting will take place on 12th June.

¹ AT-NCG (Net Connect Germany), AT-IT, AT-IT-SI-HR, AT-CZ, AT-CZ-Berlin area and AT-CZ-NCG

2.4. Country visit to late NCs implementers: Bulgaria

As some countries have delays in implementing the third energy package the European Commission decided to organise visits to and support these countries in solving open issues before it would initiate infringement procedures. A technical visit took place in Bulgaria in April, where EC, [supported by ACER and ENTSOG](#), had negotiations with NRA, ministry, TSO, suppliers, traders etc. Conclusion was that there are issues with excise law, transport contracts, entry-exit tariffs, switching from volumetric to energy unit based calculation, implementation of CMP and BAL.

3. GRI SSE Work Plan 2015-2018

3.1. Survey on tariffs in the SSE GRI

E-Control and AEEGSI [have](#) conducted a survey regarding the newly approved Tariff network code in order to assess the tariff systems in SSE GRI countries and also in Energy Community Contracting Parties. Mr. Ischia and Mr. Cioffo have presented the results of their findings by highlighting the most important questions included in their questionnaire (tariff charges, cost methodologies, entry/exit cost split, charge etc.) The survey was very successful as almost all the respective countries participated in it.

~~The~~ ACER is also working on a similar project in the EU countries, [based on the Tariffs NC](#). Mr. Hesselting added that it is important that the study explains what is the meaning behind the various values.

3.2 ROHUAT incremental capacity

Mr. Ischia explained the current status of ROHUAT (BRUA) project and the rules of the related open-season procedure that aims to explore market need for delivering gas from the Romanian Black Sea region to Austria via the territory of Hungary starting from year 2022. The ROHUAT project has two phases: the first to be completed by 2019 and making possible 1.75 bcm/y of transport capacity, the second to be completed in 2022 with a technical capacity of 4.4 bcm/y. All the interconnectors between the respective countries are included in the open-season procedure and both directions except for AT->HU. The start of the binding open-season procedure is expected on 29th of May 2017 and a maximum of 4 economic tests will be conducted depending on the level of submitted bids as well as the execution of step-back right by the shippers. By the end of next year, the latest, the success of the open-season procedure will ~~turn out~~ [be run](#).

3.3. Licensing

Mr Sándor informed the audience that the objective of the project is to develop a proposal for the definition of a cluster of minimum criteria that can be supported by all regulatory regimes in the field of natural gas wholesale trade licensing in the GRI SSE region in order to minimize administrative burdens to cross-border wholesale trade while maintaining the transparency of licensing regimes and maintain sufficient regulatory supervision for all concerned NRAs. HEA's presentation focused on the summary of the comments received since the last circulation of the material. The Hungarian authority stressed that the aim is not to create a new kind of regulation but to introduce a system in which each other's registrations are recognised by other NRAs based on a minimum set of requirements. The application of the system is voluntary. The comments received during the last round of consultation as well as final adapted proposal will be shared with ACER and NRAs in the region by the end of May. NRAs are invited to endorse distributed proposal in mid-June.

3.4. Bundling of capacity at BG-GR IP and

3.5. BAL interim measures between BG and EL

There was no real update and progress concerning the above issues. It was even questioned whether there is a need for these projects. Communication is needed between involved BG and GR parties in order to find out whether these issues still have to be on the agenda or should be deleted.

4. Progress update: implementation of CAM and CMP

4.1. Highlights of the ACER's congestion analysis

ACER has prepared a document to analyse congestions in the EU. There were only 6 congested IPs in the SSE region out of 23. No capacity was made available via CMPs on the congested IPs. Only two countries [from the region](#) (AT and PL) made capacity available via CMP.

AT and IT questioned whether the IP between their countries can be deemed as congested and asked for a footnote to explain the status of this special case.

4.2-4.3. CMP and CAM implementation progress in the MSs that showed delays as at December 2016:

Mr. Balázs from HEA informed the audience on CMP that some final negotiations are basically needed with TSOs and then the OS-BB scheme can be introduced.

Regarding the interruptible capacities HEA is not aware of any issues, therefore a written communication or follow-up has been requested from ACER.

Mr. Balázs also brought up that technical meetings (similar to the Bulgarian example) could be organised so that ACER colleagues and HEA could discuss technical questions in order to [avoid misleading information](#) [clarify and address open issues](#). ACER welcomed the idea.

Mr. Cioffo reported that following a public consultation the Italian NRA adopted provisions to introduce the Firm Day Ahead Use-It-Or-Lose-It (FDA UIOLI) mechanism at IPs with EU countries in August 2016. The subsequent approval of changes to the Italian TSO' code has been issued in January 2017. On 1st April 2017 the starting of the provisions of the Snam code has also been approved by Italian NRA.

The Romanian NRA, ANRE reported that there are weekly negotiations with the national TSO on open issues.

The Bulgarian NRA said that CMP procedures have not been implemented yet but in the following months they will do their best to do so. There are still issues with the interruptible capacities. Bulgaria has currently a ten-month-long gas year that has started in January and will end in October.

There was no representative present from the Croatian NRA.

4. Overview of gas developments in the Energy Community

Being behind schedule Ms. Marsenic (Energy Community, EnC) offered that she will hold her presentation on the stakeholder group meeting the following day. The following topics have been covered on the next day:

Five Member States (BG, HU, PL, RO, EL) have signed declarations on the implementation of NCs in IPs between EC Contracting Parties (CP) and EU MSs. CPs are also expected to sign declarations.

Ms. Marsenic also reported on Gas 2020 initiative which is a mixture of deliverables consisting of infrastructure (PECI, PMI), legal (TSO unbundling, balancing, transparency) and market issues (IO, Capacity platform, BAL, TAR). The next CESEC monitoring report on implementation of Action Plan 2.0 is expected in July 2017. There is a need to amend CESEC MoU with the involvement of DG ENER.

With regard to unbundling and certifications there is a slow progress in SRB and in UKR.

Finally Ms. Marsenic informed about the Energy Community Treaty Reforms.

5. AOB

The Italian and Austrian NRA indicated their intention to jointly elaborate a new project on the aspects of storage and LNG following their successful project on tariffs.

6. Next meetings

The next meetings will be held on 29-30th of November in Belgrade, hosted by AERS.