**17th IG Meeting. South Gas Regional Initiative**

**2nd November 2011,** from **11:00 h.** to **14:00 h**

CNE premises, Madrid

**List of participants**

| Last name | First name | Organisation |
| --- | --- | --- |
| Alaejos | Arturo  | Ministry of Industry, Tourism and Trade, Spain |
| Bravo | María Teresa  | Enagas |
| Chacartegui | Nerea | Enagas |
| Delamare | Monique | TIGF |
| Delvincourt | Thirbaud | Ministry of Energy, France |
| de Miguel  | Juan  | ACER |
| de Vicente | María Ángeles  | Enagas |
| Diniz | Valter | REN |
| Dourlens-Quaranta | Sophie | CRE |
| Doyhamboure | Gilles | TIFG |
| Fernández | Elena | Enagas |
| Fernández | Iker | Naturgas |
| Fernández | Susana  | Ministry of Industry, Tourism and Trade, Spain |
| García | Ana Belén  | Enagas-GTS |
| García  | Joaquín  | CNE |
| González | Clara Isabel | CNE |
| Miglio | Maximiliano | TIGF |
| Monedero | Teresa | CNE |
| Moreira | Herminio | ERSE |
| Moreno | Beatriz  | CNE |
| Oliveira | Paulo | ERSE |
| Parada | Luis | Enagas |
| Poillion | Christophe  | GRTgaz |
| Prieto | Rocío  | CNE |
| Rincón | Javier | CNE |
| Vega | José | Enagas |
| Verdelho | Pedro  | ERSE |
| Yunta | Raúl | CNE |

1. **Opening**
	1. **Welcome**

The chairs welcomed all participants and expressed their pleasure for holding this 17th Implementation Group (IG) meeting.

* 1. **Approval of the agenda and the last meeting minutes**

The agenda was approved including, under point VII (AOB), an update on the development of the Spanish hub by Enagás.

The minutes of the 16th IG meeting were also approved, once introduced some changes proposed by Enagás, affecting the description of its intervention when recent infrastructures developments in France were presented.

1. **Development of ENTSO-G first draft of CAM Network Code**

TIGF, on behalf of ENTSO-G, presented the progress and next steps of ENTSOG CAM Network Code. [***slides “II. CAM Network Code-update by ENTSOG.pptx”***]. TIGF reported on the new deadline given by the EC to finish the network code, and on ENTSOG intention to conduct a new public consultation before defining the remaining doubts of the code, like, i.e., the model to be applied in auctions.

1. **CAM harmonization**
	1. **Comments sent by stakeholders**

Regulators presented a summary of the Stakeholders’ comments received on auction design to allocate interconnection capacity between Portugal and Spain (CAM pilot project) [***slides: “17th IG Meeting Guide.pptx”***].

* 1. **Progress on the CAM harmonization at Portugal-Spain interconnections**

TSOs provided attendants with an update of the CAM pilot project ongoing in the Region [***slides: “III.2 S-P CAM pilot project.pptx”***]. Participants discussed the following aspects of the TSOs’ proposal of CAM:

* TSOs stated their preference for a single round auction to allocate the offered capacity, since it was considered the simplest and quickest mechanism, which better prevents bidders from collusion, in comparison to multiple round model.
* TSOs explained that, due to technical restrictions in the North of Spain associated with Mugardos LNG terminal, which may limit capacity availability at Tuy interconnection, considering a single virtual point was not possible. To overcome this difficulty, Regulators suggested the possibility to offer the available capacity at Tuy as interruptible in one single virtual interconnection point.
* Since Badajoz interconnection is fully booked on the Spanish side, Regulators asked TSOs to provide figures on the utilization rate of this interconnection and to consider the application of CMP to allocate more capacity in the short term.

Finally, the group decided that Regulators would give feed back to TSOs on the way forward and would propose the implementation to both Governments.

1. **CMP harmonization**
	1. **Comments sent by Stakeholders**

Regulators presented a summary of the Stakeholders’ comments received on the common CMP which is being designed to be applied at the French-Spanish border (CMP pilot project) [***slides: “17th IG Meeting Guide.pptx”***].

* 1. **CMP comitology guidelines**

Regulators showed some slides with the update of the EC proposal of comitology guidelines for congestion management procedures, which were presented in the last Madrid Forum. [***slides: “17th IG Meeting Guide.pptx”***]. Additionally, TSOs informed about the progress of the CMP pilot project in the Region. [***slides: “IV.2 S-F CMP pilot project.pptx”***].

The discussion was focused on the way forward of the Region’s pilot project: the project tries to implement a long term UIOLI mechanism at the border between Spain and France, which is one of the congestion management procedures listed in the EC proposal. TSOs expressed their concerns about the procedures contained in the EC proposal, regarding in particular the mandatory implementation of an overselling and buy back mechanism as for 2013.

Considering that the CMP comitology guidelines are still under discussion in Europe, and that the cost and IT impact of a long term UIOLI procedure are low compared to overselling and buy back mechanism, the SGRI decided to continue working as planned. As requested by the Portuguese Regulator, the project would be extended to the Spanish-Portuguese border, to be applied on the Spanish side where contractual congestion exists.

A precise proposal for the next steps would be made by TSOs.

1. **First draft of the regional investment plan (GRIP)**

TSOs presented some slides updating the GRIP development process [***slides: “V. GRIP in the SGRI.pptx”***].

Participants requested the possibility for this investment plan to be presented and discussed in the SGRI before it is finished. ACER welcomed the accomplishment of this task by TSOs, thanked them for making use of the GRI forum to present it, and underlined the Member States’ role in the regional investment plan, since they are in charge of proposing projects to the EC for the definition of the European infrastructure priorities.

TSOs pointed out the need to comply with the deadline to finish this work established by the Regulation 715/2009 and accepted to share the plan with Regulators and Stakeholders in a following meeting.

1. **MIBGAS**
	1. **Proposal to achieve an integrated market**

Regulators informed the participants on the priorities that have been identified to promote MIBGAS development jointly in a proposal sent by ERSE and CNE to the Ministries in September [***slides: “VI.MIBGAS.pptx”***].

* 1. **Update of the ERSE-CNE study on cross border tariffs between Portugal and Spain**

Regulators provided the participants with the latest developments of the Portuguese-Spanish study on cross border tariffs [***slides: “VI.MIBGAS.pptx”***].

This study contains some figures comparing customers supply costs when they are been supplied by a shipper in their country or by a shipper from the neighbouring country. These figures were largely discussed by ENAGAS, which requested regulators to be allowed to review the calculation before the document release. ENAGAS also asked regulators to take into account other regulatory aspects that affect to supply, like flexibility included in the tariffs.

The attendants agreed that, once finalized the study, it would be sent to TSOs (REN and ENAGAS) for comments, which should be provided in a week. After that, the study would be submitted to public consultation.

1. **AOB and next meetings**

At the request of Enagas, a presentation was made on the latest hub developments in Spain [***slides: “AOB Spanish Hub Development.pptx”***]

Regulators informed that the NW Region has designed a questionnaire for TSOs to fill them out in order to know whether TSOs comply with Regulation 715/2009. This initiative is welcome by Regulators in the SGRI, which will elaborate and send similar questionnaires to TSOs, LSOs and SSOs, with the aim to check and promote compliance with the new Regulation’s transparency requirements.

Regulators also explained that ACER has requested to the Regions a meetings calendar for the next six months. Regulators will produce and communicate a proposal of calendar as soon as possible. For the next SG meeting, Ministries, ACER and EC high level representatives will be invited.

**Summary of tasks and responsibilities**

* **TSOs**’ work:
* Regading the **CMP pilot project**, they will include Portugal in the project and will provide Regulators with a precise proposal for the next steps
* Regarding the **Regional Investment Plan**, they will share the progress with Regulators and Stakeholders in the next meeting
* Regarding **MIBGAS,** once communicated by Regulators the final study, they will review it
* **Regulators’** work:
* Regarding the **CAM pilot project**, they will give feed back to TSOs on the way forward and will propose the implementation to both Governments.
* Regarding **MIBGAS**, they will finish the study on cross border tariffs and will send it to the TSOs
* Regarding **transparency**, they will produce and send questionnaires to check compliance with the Regulation 715/2009 in the Region
* Regarding **next meetings**, they will elaborate and publish a proposal of a calendar for the next six months as soon as possible.