**23rd IG Meeting. South Gas Regional Initiative**

**19th June 2013,** from **16:00 h** to **18:00 h**

Videoconference

**List of participants**

| Last name | First name | Organisation |
| --- | --- | --- |
| Alaejos | Arturo | Ministerio de Industria, Spain |
| Aoun | Marie Claire | CRE |
| Barrera | Ana | CNE |
| Bravo | Teresa | Enagas |
| Cornibert | Laurent | GRTgaz |
| Cortizas | Elena | Enagas GTS |
| Delahitte | Gaston | TIGF |
| del Castillo | Pedro | Enagas |
| de Vicente | Maria Angeles | Enagas |
| Diniz | Valter | REN |
| Domingues | António | ERSE |
| Doyhamboure | Gilles | TIGF |
| Esnault | Benoît | CRE |
| Felipe | Juan Manuel | Enagas |
| Ferreira | Liliana | ERSE |
| Fernández | Elena | Enagas GTS |
| Huerre | Thomas | GRTgaz |
| Junco | María | Enagas GTS |
| López | Manuel | Enagas Transporte |
| Martínez | Margarita | Enagas |
| Monedero | Teresa | CNE |
| Moreno | Beatriz | CNE |
| Oliveira | Paulo | ERSE |
| Parada | Luis Ignacio | Enagas |
| Poillion | Christophe | GRTgaz |
| Prieto | Rocío | CNE |
| Rottenberg | Jacques | Elengy |
| Romero | Fátima | Enagas Transporte |
| Verdelho | Pedro | ERSE |

***All documents presented in this meeting are available on ACER web page***

[***http://www.acer.europa.eu/Gas/Regional\_%20Intiatives/South\_GRI/Meetings/IG%20Meetings/23rd\_IG\_meeting/default.aspx?InstanceID=1***](http://extranet.acer.europa.eu/en/Gas/Regional_%20Intiatives/South_GRI/Meetings/IG%20Meetings/23rd_IG_meeting/default.aspx?InstanceID=1)

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

The chair welcomed all participants and expressed their pleasure for holding this 23rd Implementation Group (IG) meeting.

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

The agenda was approved without changes. Additionally, no changes were requested regarding the minutes of the 22nd IG meeting.

1. **CAM** 
   1. **CAM Roadmap**

Regulators presented progress on the Region’s CAM roadmap. It has been submitted to public consultation and amended with comments received, and it will be published on ACER’s website before end of June.

The CAM roadmap envisages the start of the CAM NC implementation in 2014, selling capacity in March for yearly products starting in October 2014 on the borders.

Regarding the French-Spanish border, available capacity from 1 April 2014 to 30 September 2014 needs also to be allocated. Discussion focused on the mechanism to apply to allocate this capacity. Two possibilities were presented, an auction using the platform and an Open Subscription Period (OSP). CRE indicated that, in France, OSP is the preferred option. Additionally, some clarifications were also provided on the opportunity to harmonize nomination and renomination schedules and the allocation mechanism and products to be sold at GRTgaz internal border.

It was outlined the importance to work, as soon as possible, to develop both the IT systems needed to support the CAM and the regulation.

Agreements

* **TSOs to make and send regulators a detailed IT system implementation plan by 19 July**

The detailed plan will contain a description of the changes in the IT systems to use and integrate the information from auctions, technical requirements for users, deadlines for implementation and a testing calendar.

TIGF, REN and Enagas have already started to work on this and, in the meeting, presented a common roadmap sketching a work plan. REN and ERSE explained that they are still analysing possibilities for the internal market and, although they will do their best to produce the detailed implementation plan before the deadline, they might not be ready, so they will definitively provide the implementation plan in September at the latest.

* **TSOs to propose information related to auctions by 15 September**

TSOs will provide regulators with information on the available capacity to be sold in the auctions, LT/ST split, products, nomination/renomination periods and information to be released to the market.

* **Regulators to inform about the required national regulatory changes in the next SGRI meeting**
* **Regulators will also give their opinion on the TSOs’ proposals in the next SGRI meeting**

Regulators will explain the changes and regulatory modifications required in the national regulation to implement the CAM auctions and produce a proposal of a work plan calendar to introduce the required changes.

* 1. **2013 S-P auction**

TSOs presented the preliminary results of the prequalification phase, which ended on 7 June, for the auction started in early June to allocate capacity from October 2013 to September 2014. 5 shippers have been already pre-qualified. The qualification window is currently open until 24 June. The window to request yearly products starts on 27 June.

Participants mainly discussed which type of capacity products would be available to the market for the available capacity not reserved in the auction. These products would be booked via FCFS mechanism. According to the published Information Memorandum, firm and interruptible available capacity will be bundled allocated in the virtual interconnection point until 30th September 2014, and shippers are able to request capacity with a duration equal to or higher than one day until that date on FCFS.

Regulators agreed to discuss this issue and get a common approach.

* 1. **CAM platform**

TSOs reported on their progress to join a common platform to allocate the interconnection capacity. TIGF indicated that they intend to join PRISMA both as a user and a shareholder, having full connection on 1 January. Enagás also indicated that they are in conversation with PRISMA, in order to analyse the best way to join the platform, and soon they will make a decision.

Main issue raised was the launch of rolling day-ahead capacity auctions through the capacity platform. Enagas raised some possible difficulties to start these auctions in 2014, i.e., the revision of the access model in Spain, the need to change nomination rules, which involves coordination with TIGF and REN, changes of the gas day, time to adapt systems, etc.

Agreements

* **TSOs will communicate the market and regulators their decision on the capacity booking platform (PRISMA) before end of July**
* **TSOs will explain the requirements to implement the rolling day-ahead auctions in the next meeting**

1. **Congestion Management Procedure CMP**

CRE and CNE explained their proposal on CMP in their corresponding country. In Spain, it is expected that the CNE’s circular will be sent to public consultation in July. In France, CRE’s deliberation is expected before end of June.

With regard to **surrender capacity**, the main difference between the two procedures is the reallocation of long term products. In Spain, yearly products for the following 15 years could be released and offered in the yearly products auctions, while, in France, the users have the possibility to surrender, in full or in part their booked capacities without any limitation in volume and duration, but these surrendered products will be reallocated through quarterly and monthly auctions. CRE explained that this approach is in line with the interpretation developed in the ACER issue paper, considering the requirements of CAM (a share of technical capacity is systematically set aside for short term bookings in the annual auctions) and CMP (the surrendered capacity will only be reallocated after all the available capacity has been allocated). CRE expressed that they had consulted the European Commission who agrees with this approach.

CNE considers that there is no reason for not allowing the release of more than one year products.

Portugal will start studying this mechanism and share their approach in the next regional meeting.

Differences regarding **long term use it or lose it** mainly concern the level of NRAs involvement in the mechanism application. CNE considers that the mechanism should be automatically applied by TSOs according to the procedure approved by the NRA; the NRA should monitor and solve disputes among users and TSOs, as it has been carried out until now in Spain. On the contrary, CRE proposes a mechanism with higher NRAs’ involvement, in which the regulator must approve each time the withdrawal of capacity, after the proposal of the TSO.

TSOs consider that NRAs should actively participate and take the last decision on the capacity to be withdrawn, since the mechanism requires assessing the justification for not using the capacity and monitoring the secondary capacity market, in particular, how unused capacity is offered. According to the Directive and the REMIT, markets monitoring is a NRA’s task.

Finally, CNE presented a detailed **oversubscription and buy-back** mechanism, which would oversell daily capacity at the French-Spanish border, while the French one would oversell quarterly, monthly and daily products, but initially only at the IP of Taisnières H (FR – BE) and Obergailbach (FR – DE) in line with the risk analysis carried out per IP by GRTgaz and TIGF.

TSOs required more time to analyze CNE’s proposal. They pointed out that its application requires an IT platform and high coordination among them.

On the French side, TSOs consider that the buy-back mechanism could be performed via the PRISMA platform, in the secondary market part, which will be available in 2014.

1. **Infrastructures**

TSOs informed attendees on their progress on the new GRIP. Questions on this issue were related to the need to conduct a public consultation in the Region and take on board comments from regulators and other stakeholders before publishing it. The specific date for the public consultation is still under discussion. TSOs expressed their willingness to have bilateral meetings with regulators.

1. **AOB and next meetings**

Tentative dates for next meetings are indicated below. Comments and proposals on alternative dates can be provided by e-mail.

* 19th September: 24th IG.
* In October, the specific date is not decided yet but a SG meeting is forecasted.