



## SGRI WORK PLAN 2021-2022

### **TARGET 1. INFRASTRUCTURES**

#### Follow-up work

- Follow-up of infrastructure development (PCIs, TYNDP, GRIP...)
- Calculation of capacity at VIPs
- Offer, allocation and use of capacity at VIPs
- Gas flows in the Region
- Expiration of LT contracts
- Secondary market and transfer of use

The aim is to be up-to-date on the developments that may affect infrastructures in the Region and participate closely in the adoption of the PCIs list, as well as in the elaboration of the TYNDP and regional network plans. It is also important to promote a higher use of interconnections and to offer the maximum capacity and to follow up the proper functioning of the capacity allocation mechanisms set in the CAM NC.

#### Deliverable

- *Implementation of a common mechanism to offer cross-border day-ahead interruptible capacity*

The aim of this deliverable is the implementation of a common algorithm to calculate the quantity of day-ahead interruptible capacity to be offered at both sides of VIP Iberico. The interruptible capacity will continue to be offered at both sides separately, evolving if possible, after working on the harmonization of the interruption conditions, to be offered in a coordinated way.

### **TARGET 2. MARKET INTEGRATION IN THE REGION**

#### Follow-up work

- Follow-up of market integration in the Region: flows, price spreads and regulated tariffs in interconnections.
- Assessment of the evolution of gas prices and hubs liquidity.
- Keep on supporting the inclusion of the Portuguese side in MIBGAS.
- Once Portuguese side has joined MIBGAS, monitoring the well-functioning of the market, in particular, with regard to the interactions between explicit and implicit allocation.
- Impact of market dynamics and national regulatory developments on the use of the VIPs.
- NRAs recommendations and conclusions.

The Initiative will continue supporting, monitoring and assessing the progress of market integration in the Region and the functioning of the markets. In VIP Iberico, the Initiative will keep on supporting the Spanish-Portuguese market integration towards the Iberian gas market. The Initiative will keep on monitoring any change in market dynamics or regulatory national developments impacting on the use of the VIPs.



## Deliverables

### - *Study on the viability of cross-border balancing operations in the region*

The aim of this deliverable is to study options, once a trading platform is in place in Portugal, for cross-border balancing actions to take place in the region. The study shall assess the effectiveness of the options and whether they can be used to increase the efficiency and reliability of the balancing operations. Cross-border balancing operations shall not disturb the commercial usage of the interconnection.

### - *Study on the role of tariffs to foster market integration of the Spanish and Portuguese markets*

The deliverable is a follow-up study of the public consultation held in 2014 by CNMC and ERSE<sup>1</sup>, on the integration of the Spanish and Portuguese gas markets. The subsequent developments, such as the implementation of MIBGAS and of the network code on harmonised transmission tariff structures for gas, justify revisiting the role of transmission tariffs to foster gas market integration in Iberia.

The aim of this deliverable is to evaluate different options on the application of transmission tariffs that could lead to more efficient trading and a better network utilization across the two countries, as well as to ensure a level playing field for the uptake of renewable gases for the energy transition. The list of options should include, among others, the evaluation of removing the common VIP and the application of a common reference price methodology for setting transmission tariffs in the Iberia<sup>2</sup>, and the associated Inter TSO payment scheme. The document should also include the analysis of the LNG terminal tariffs, and their impact over the Iberian market.

## **TARGET 3. CONTRIBUTION OF GASES TO DECARBONISATION**

### Follow-up work

- Sharing good practices/pilot projects (hydrogen for mobility, certificates of origin, impact of renewable gases on gas quality...), as well as related regulatory developments in the member countries.
- Follow-up on discussions on renewable gases implementation.
- Contribution of the SGRI countries to the EU strategies on hydrogen and new gases.
- The role of gases, in particular for mobility.
- Interoperability regarding hydrogen blending projects and potential need for amending the Interconnection Agreements.

Achieving a low-carbon energy sector is one of the priorities for Europe in the next years. In line with the EU strategies on gases, namely hydrogen, low carbon gases, P2G, the Initiative can contribute to European goals by proving a forum where participants can exchange experiences,

<sup>1</sup> «[Study about models for integration of the Spanish and Portuguese gas markets in a common Iberian Natural Gas Market](#)», June 2014.

<sup>2</sup> ACER supports a coordinated work in its report on the implementation of the tariffs network code: «*The Agency supports that both ERSE and CNMC coordinate the application of tariffs, for example by removing the common VIP. Such option could simplify the application of complex methodologies and foster market integration.*» (Page 103 in the [Annex](#) of ACER report on «[The internal gas market in Europe: The role of transmission tariffs](#)», April 2020).



promote the use of renewable gases and coordinate implementation of a balanced mix of energy sources and technologies.

#### **TARGET 4. ANY OTHER ITEM FOR DISCUSSION**

- Follow up of new gas legislation and potential impact on the Region.
- Development common position papers in the Region, if needed, related to new gas legislation and EU strategies.
- "Abolition of summer time changes" as per new EU Directive proposal - analysis of impacts and implementation (depending on the progress of European regulation to this respect), when the Directive is approved.