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## 1<sup>st</sup> Meeting of the LNG Price Assessment / Benchmarks

### Expert Group

11 January 2023 from 10:00 to 12:00 CET

Meeting Chairs : Volker Zuleger / Iztok Zlatar

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## DRAFT MINUTES

(Chatham house rules, no names basis in quotes)

Name	Professional affiliation
Karl-Peter Horstmann	RWE - EFET
Henry Bennett	Spark
Vera Blei	S&P Global Commodity Insights
Richard Street	ICIS
Jason.Pegley	ICE Futures Europe
Kush Thakrar	Vitol Group
Joan Uribe Diez	Iberdrola
Giulia Migueles Pereyra	ENI Group
Daniel Fichtner	European Energy Exchange AG
Observers	
Leilo Lapresa	ESMA, Benchmark Team
Michele Mazzoni	ESMA, Benchmark Team
ACER	
Volker Zuleger	ACER
Iztok Zlatar	ACER
Miguel Martinez	ACER
Manuel Asin Dueso	ACER
Dorottya Igricz	ACER
Dimitris Lelovitis	ACER

Name	Professional affiliation
Ziva Mitar	ACER
Joaquin Garcia Gimenez	ACER
Adriano Falcone	ACER

## 1. MEETING OPENING

The [first meeting of the LNG Price Assessment/Benchmarks Expert Group](#) ('the Group'), which took place in a virtual format, was opened and the agenda of the meeting was introduced and approved unanimously. The Head of the Market Information and Transparency Department of ACER welcomed the Group's members and outlined the purpose of the Group.

## 2. INTRODUCTION OF THE EXPERT GROUP SUBJECT

ACER introduced the [terms of Reference and Rules of Procedure of the Group](#), the frequency and the working modalities of its future meetings, and the content and the form of the input that is expected from the Group. It was clarified that [Council Regulation \(EU\) 2022/2576](#) on 'Enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders' ('the Regulation') entails short deadlines and challenges. As a result, ACER has appointed the experts ad personam, subject to strict confidentiality requirements.

ACER recalled that according to Article 20(1) of the Regulation, LNG market participants shall submit daily to ACER the LNG market data in accordance with the specifications set out in the Regulation, in a standardised format, through a high-quality transmission protocol, and as close to real-time as technologically possible before the publication of the daily price assessment. It was noted that data collection and reporting obligations for the LNG price assessment have been at the forefront of ACER's work and that the first version of the methodology for LNG price assessments ('methodology') is now the main priority in view of the upcoming first publication of the LNG price assessment (on Friday, 13 January 2023).

The experts were also informed on the status of the registration process for obtaining access to the TERMINAL application, which will allow the reporting of LNG data. ACER informed the Group that the registration of market participants ('MPs') has been on occasion challenging, but the majority have managed to register. The [methodology](#) for LNG price assessments was presented and the

experts were introduced to the aim of the LNG price assessment, as well as to the basic elements of the process, including the type of market data to be collected and processed<sup>1</sup>, the scope and method for the data analysis leading to the LNG price assessments, as well as the data normalisation.

It was stressed that the purpose of the methodology is the collection of accurate and reliable data. The assessment shall be published every day, no later than 18:00 and will rely as much as possible on the reported data, while the MPs will be requested to report as close to real time as possible. ACER mentioned that the reporting form was aimed at being practical and simple. An example of a daily publication was provided.

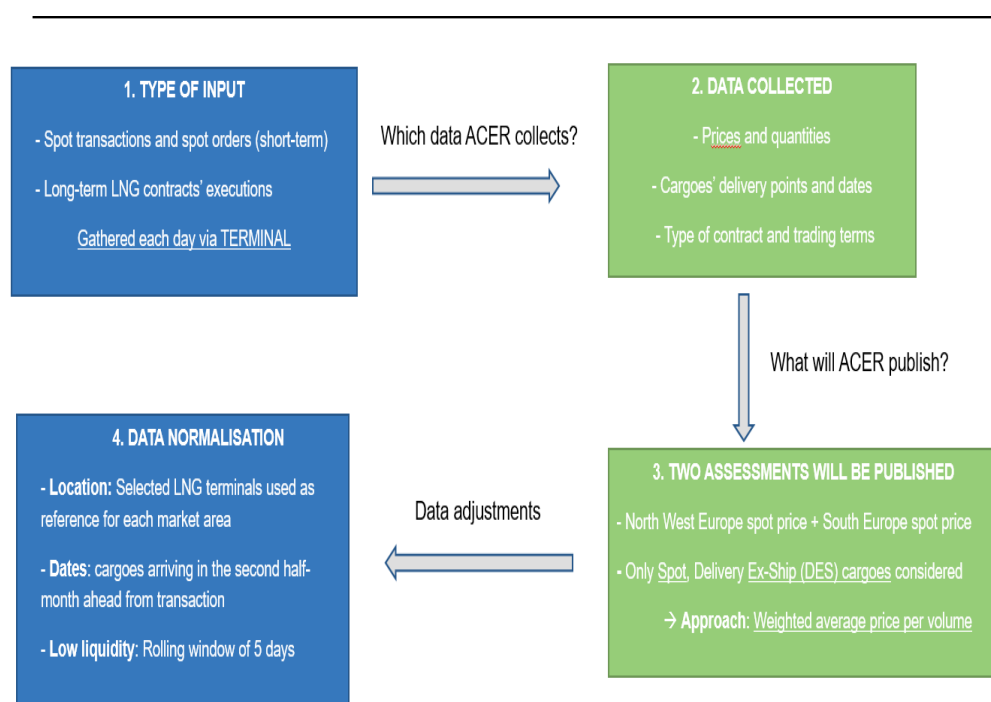


Figure 1: The LNG price assessment process

ACER stressed that the methodology will be elaborated at a later stage, but in order to expedite the commencement of the process and meet the challenging deadlines foreseen in the Regulation, a succinct methodology was deemed necessary. The experts stressed the need to avoid ambiguity in order to avoid distorting the objectivity of the process. ACER clarified that the comments of the experts

<sup>1</sup> Two distinct daily LNG price assessments which will solely take account of spot-type transaction contracts with 'delivery ex-ship' ('DES') terms of delivery that specify an EU delivery terminal in the contract.

will be taken into careful consideration and that a new version of the methodology will be prepared in the forthcoming period.

The Group discussed the way in which the 5-day rolling window considered for the LNG price assessment is expected to operate. ACER provided clarifications, among others in relation to the point at which bids and offers were to be brought-in, as well as the point at which other type of data should be submitted. Some experts expressed concerns about the cut-off time and, in particular, about whether there are any unintended interactions between the time mentioned in the document (16h00) and the settlement windows for the Title Transfer Facility (TTF) contracts. In relation to the normalisation, the point was made that there are challenges to be expected in the collection and normalisation of data, and discrepancies in the reported data may be expected. The Group discussed, among others, whether the requirement for the MPs to provide such information is likely to impact the liquidity and price transparency on trading platforms.

### **3. CLOSING SESSION – NEXT STEPS :**

ACER mentioned that more meetings will take place in the near future to discuss the evolution of the methodology as well as the [ACER Guidance on reporting LNG market data](#).

Action Points	
1.	Feedback – Written comments (both on methodology and the published <a href="#">ACER Guidance on reporting LNG market data</a> (Version 1.1.)
2.	Determination by ACER of the future meeting schedule