

## 4th Meeting of the LNG Price Assessment / Benchmarks Expert Group

27 September 2023

**9:30 to 12:30 CET**

Meeting Chair: **Iztok Zlatar**

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### DRAFT MINUTES

## 1. MEETING OPENING

The 4th meeting of the Expert Group on LNG price assessment/benchmarks took place in a hybrid format. The meeting opened with the approval of the Agenda and the introductory remarks of the chair, who presented the state of play of ACER LNG price assessment and the provision of daily market data according to [Council Regulation \(EU\) 2022/2576](#).

## 2. RECENT DEVELOPMENTS

After being updated on the recent developments in LNG market data reporting, the LNG experts focused on the topic of LNG price assessment under low liquidity events. The discussion focused on the observation that the LNG market had been experiencing low liquidity, resulting in a decrease of reported transactions, and ACER's concern that, despite the potential increase of imports and the ensuing increase of reported transactions, the delivery period of such transactions would render them ineligible for the price assessment. The experts pointed out, among other things, that as difficult as it is to forecast the market behaviour, it is also critical to address topics such as the unrealistic price difference between areas or benchmark that contribute to a poorer index quality, especially if the LNG price assessment is to become a more widely used index.

The Group was further consulted on the development of price indices, with the aim to enhance the usability of the information ACER receives and the accuracy of the [LNG price assessment and benchmark calculation](#). The experts discussed the option of using proxy-indices (as opposed to the original index of the contract) and the potential impact on the representability of LNG price assessment.

## 3. KEY TOPICS ON THE PRICE ASSESSMENT METHODOLOGY

The input provided by the LNG experts on the ACER LNG price assessment methodology and the manner in which it has been taken into account were thoroughly discussed under this agenda item. In particular, the experts elaborated on their already shared comments on the [methodology](#) and the [ACER Guidance on reporting LNG market data](#), also taking into account the latest input on LNG market data provided by ACER.

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The Group also discussed the most frequent and significant data quality issues that ACER has identified in the LNG market data, so as to provide comprehensive guidance to the LNG market participants on how to improve the quality of the reported data<sup>1</sup>. The completeness, timeliness and accuracy of the data were highlighted in particular, whilst the Group agreed on the need to encourage LNG market participants to address data quality issues by promptly informing ACER and proactively ensuring compliance with the reporting requirements outlined in the [ACER's LNG data reporting guidance](#).

## 4. THE NEW TERMINAL APPLICATION

ACER presented the results of a survey regarding the functionality of the [TERMINAL](#), the AEGIS platform developed for the collection of LNG market data and the publication of the LNG price assessment and benchmark.

## 5. CLOSING SESSION

ACER thanked the LNG Experts for their contribution to the process of ACER's daily LNG price assessment and benchmarks and informed them that the next LNG PAB meeting would take place during the first half of 2024, with a primary focus on LNG price forecasting techniques in the gas market.

### Action Points

1. Feedback in writing on the future development of the ACER Guidance on reporting LNG market data - further inputs into LNG market data collected
2. Proposals for improvement of methodology

<sup>1</sup> Cf. [ACER's Open Letter on LNG market data quality](#), 26 July 2023.