3rd ACER Gas Target Model Workshop

3rd ACER GTM workshop, Brussels, 15 May 2014

5. Progress on market integration

Key projects on market integration

Dennis Hesseling
Head of the Gas Department, ACER

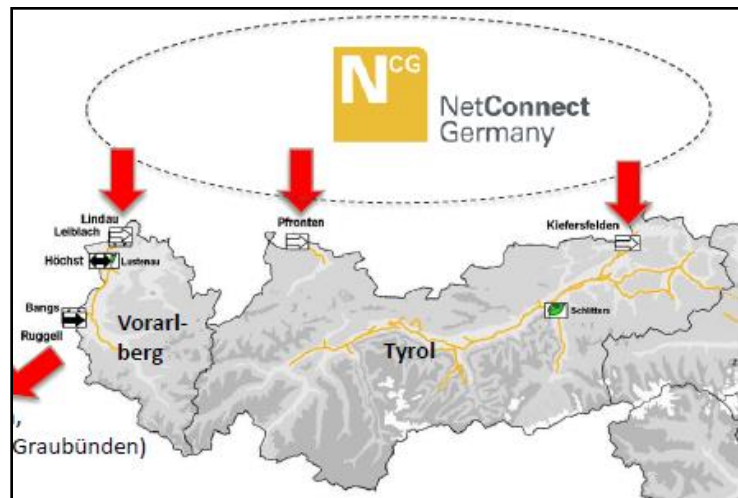3rd ACER Workshop on Gas Target Model
Brussels, 15 May 2014

Overview of ongoing market integration projects

- COSIMA project (integration between Austria West and Germany NCG)

- CEETR project (Austria, Czech Republic, Slovakia)

- Integration of Spanish-Portuguese gas markets (Iberian gas market)

- ZIGMA model implementation (UK and Belgium)

- Roadmap for integration of V4 countries (Poland, Czech Rep., Slovakia, Hungary)

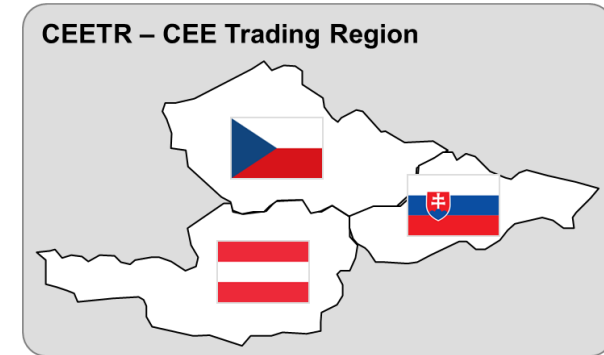# Trading region between Austria West and Germany NCG (COSIMA project)

- Geographical extension:
  - » Austria West (Tyrol & Vorarlberg) and Germany (Net Connect area)
  - » Project participants: E-Control, BNetzA, Net Connect Germany, German TSOs (terranets, Bayernets, OGE), Austrian DSOs (TIGAS, Vorarlberger Energienetze), AGGM

- Market integration model:

  Trading region

  ('COSIMA' = 'Cross-border Operating Strongly Integrated Market Area')

- Current status and timeline:
  - » Implemented on 1 October 2013
  - » Direct fit into the European, Austrian and German legal frameworks

Central-Eastern Europe Trading Region
(CEETR project)

- Geographical extension:

  - » Austria, Czech Republic and Slovakia
  - » Sponsors: CEGH, E-Control, Eustream, Net4Gas

CEETR – CEE Trading Region

- Market integration model: trading region

- Current status, timeline and next steps:

  - » Feasibility study conducted in 2012. Result: CEETR possible with limited changes to existing regulation and without additional investment
  - » Next step: Implementation study detailing all processes, contracts, roles, capacity and balancing models required, including an implementation plan
  - » Study results shall determine whether or not to implement the project
  - » Next steps possible only if all relevant NRAs and TSOs participate (currently not the case)

Iberian Gas Market

Integration of Spanish-Portuguese gas markets in an Iberian gas market

- Geographical extension:
  - » Spain and Portugal
  - » Project participants: NRAs, TSOs, Ministries and other stakeholders

- Market integration model:

  Study that analyses three market models included in the Gas Target Model (market area model, trading region model and wholesale market with implicit capacity allocation) in order to compare the advantages and challenges of each model and help in the decision-making process

- Current status and timeline:
  - » A draft analysis has been agreed by NRAs
  - » Public consultation expected in May
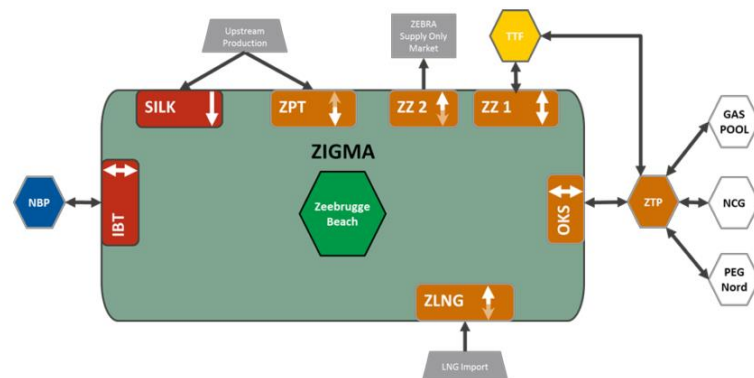 - » Implementation roadmap to be defined after public consultation

IBERIAN GAS MARKET

Zeebrugge beach Interconnector Gas Market Area
(ZIGMA Model)

- Geographical extension:
  - » UK and Belgium
  - » Project participants: National Grid Gas, Interconnector (UK), Fluxys Belgium, Ofgem and CREG;

- Market integration model:
  - » New cross border entry-exit zone
  - » offering in one market area trading possibilities between Norwegian, UK Continental Shelf and LNG terminal sourcing facilities and UK, Dutch and Belgian gas trading places (NBP, TTF and ZTP)

- Current status and timeline:
  - » http://www.interconnector.com/about-us/what-we-have-to-say/consultations/
  - » Implementation deadline projected: 1 November 2015

Roadmap for integration of V4 countries
(V4 Gas Forum Initiative)

- Geographical extension:
  - » Poland, Czech Republic, Slovakia and Hungary
  - » Initiative steered by Ministries with involvement of NRAs and TSOs

- Areas of action:
  - » Infrastructure: development of N-S corridor in CEE and interconnections PL-CZ, PL-SK, HU-SK
  - » Implementation of the EU Network Codes
  - » Market integration

- Areas for further cooperation:
  - » SoS: Preventive Action Plans, Joint Emergency Plans, Risk assessment

Thank you for your attention!

www.acer.europa.eu