

24th Regional Coordination Committee Meeting

GAS REGIONAL INITIATIVE – SOUTH SOUTH-EAST

26 May 2014, 14:00-17:00

URE premises, Al. Jerozolimskie 181, Warsaw

DRAFT MINUTES

v.1

Surname	Name	Organisation
Bando	Maciej	Energy Regulatory Office
Buzar	Joanna	Energy Regulatory Office
Cariello	Francesco	AEEGSI
de Miguel	Juan	ACER
Diana	Miranda	AEEGSI
Dimitrov	Milen	SEWRC
Dzhermanova	Victoria	SEWRC
Flak	Katarzyna	Energy Regulatory Office
Fogel	Damian	Energy Regulatory Office
Golonka	Karolina	Energy Regulatory Office
Havrilet	Niculae	ANRE
Ischia	Alessandro	E-Control
Kaźmierska	Aldona	Energy Regulatory Office
Kőrösi	Tamás	MEKH
Krug	Marcus	E-Control
Loret	Jacek	Energy Regulatory Office
Nehrebecki	Andrzej	Energy Regulatory Office
Osrajnik	Aleš	AGEN
Panousopoulos	Vasilis	RAE
Ramniceanu	Mihai	ANRE
Tamáška	József	MEKH
Vermeeren	Ruben	EC

The meeting opened at 14:00 with a welcome address of President Maciej Bando (URE, Poland). Mrs Aldona Kaźmierska (URE, Poland) and Francesco Cariello (AEEGSI, Italy) chaired the meeting.

1 Opening and general update

Mrs Aldona Kaźmierska welcomed the attendees. The minutes of the 22nd and 23rd RCC meetings were approved as well as the agenda of the 24th RCC meeting. NRAs representatives gave an update on the recent gas national issues. In particular: AEEGSI reported that Italy is working to implement the Balancing NC by 2016; SEWRC said that in Bulgaria the debate on the new balancing rules is still ongoing; URE stated that the third energy package as well as CMP rules have been fully implemented in Poland and that BAL NC is expected to be implemented by 2016; AGEN informed that at the beginning of 2014 a new energy Law was adopted in Slovenia aimed at fully implementing the third energy package provisions and CMP rules; E-Control informed that the third energy package and balancing provisions are already implemented in Austria, furthermore three pilot projects to ensure the implementation of CAM and CMP rules are ongoing; RAE said that Greece already implemented the third energy package, the main news is that the Greek TSO has been privatised; MEKH reported that the main concern in Hungary at the moment is the low level of gas stored compared to previous years: the implementation of CMP and CAM is satisfactory. ANRE informed that a Law implementing third energy package was recently approved in Romania, the delay is due to social problems and industrial opposition.

2 Preliminary discussion on Gas Target Model vol.2

Mr Markus Krug (E-Control, Austria) explained that due to latest major changes of the gas market, there is a need to update the first Gas Target Model (GTM). This would allow to take into account the ongoing work on Network Codes, the impact of renewable energies and the increasing interrelation between gas and electricity sector. He presented the main ideas that will be included in the new GTM and clarified that the drafting process was still ongoing, regulators look for inputs from experts and stakeholders. Feedbacks collected from previous workshops as well as the responses to the consultation on the Bridge 2025 will be taken on board. The aim is to finalise a comprehensive document by September/October 2014.

Mr Cariello supported the GTM II proposal of assessing the structural characteristics of national wholesale markets before deciding the right tool to follow in order to foster competition and efficiency, but he added that in some cases the political willingness is also necessary to realise the identified targets.

3 Lessons learned from the questionnaire on the geographical scope of the GRI SSE region

3.1 Introduction on previous discussion about geographical scope of the SSE region

Mr Cariello reminded that internal consultation on the geographical composition of the region showed that regulators have different views on the possible split of SSE Region. However, the shared idea is that the geographical reconfiguration is not a priority and that it is more important to focus on the implementation of network codes.

Mr Juan de Miguel (ACER) underlined the importance of involving stakeholders in the debate on the geographical composition of the SSE region. He said that ACER invited regulators to start the discussion on such reassessment in the *Regional Initiatives Status Review Report 2013* and showed a slide with new possible regional groups asking for comments. He underlined that those maps do not represent ACER's formal position or proposal for splitting the SSE region, but they shall be considered as a basis to stimulate the discussion.

Mr Vasilis Panousopoulos (RAE, Greece) said that splitting the region is not a solution, on the contrary it could prevent the achievement of an integrated EU natural gas market. He also underlined that the infrastructural dimension should be taken into account when discussing the possible reshaping of the region because countries which collaborate on a project should not be separated.

Mrs Aldona Kaźmierska (URE, Poland) underlined that the regional cooperation framework is based on two main issue: the NC implementation and local aspects (such as implementation of CEETR). Therefore, the geographical scope of SSE could stay as it is and further activities could be organised at sub-regional level where it is needed.

Mr Francesco Cariello (AEEGSI, Italy) supported Mrs Kaźmierska's view and stressed that having a specific formal group for every specific project could overcharge regulators. The region should be designed to foster cooperation, therefore for the time being the solution of having one region and different sub-regional activities where needed could be helpful. Stakeholders views will be also important on this point.

Mrs Victoria Dzhermanova (SEWCR, Bulgaria) remarked the importance of having sub-regions that reflect different priorities. Indeed a priority for Bulgaria is the work on infrastructures.

Mr Alessandro Ischia (E-Control, Austria) explained that in his opinion sub regional projects are already ongoing and that it is important to have one single regional platform where sharing information and best practices. Having different platforms and/or too many groups could jeopardize the work of the region.

3.2 Extension of the GRI SSE region? (Energy Community countries)

Ms Karolina Golonka (URE, Poland) gave an overview of the geographical composition, functioning and main goals of the Energy Community (EnC). Mr Alessandro Ischia remarked that some members (i.e. Serbia) are very active in implementing the *acquis communautaire* and are interested in joining the EU; he underlined that the aforementioned countries (but not all energy Community members) should be considered to be included in the SSE activities. Ms Golonka explained that there are several options to be evaluated for the setting up of a formal cooperation between SSE and EnC, for example: involvement of EnC Secretariat, identification of ad hoc pilot projects between EU and EnC countries, exchange of know-how, etc.

Mr De Miguel (ACER) informed that a note describing possible way for cooperating with EnC countries is under preparation and it will be discussed during the next BoR meeting. Mr Niculae Havrilet (ANRE, Romania) supported the proposal of establishing an institutional cooperation with the EnC, he added that this is also essential to develop PCI (Project of Common Interest) projects. **Mrs Kaźmierska** added that it is important to design such a cooperation in a way that does not duplicate the activities already performed by the ECRB secretariat (Energy Community Regulatory Board). She also **invited RCC members to propose by email concrete projects on the possible cooperation with the EnC**. Mr Cariello concluded that as a starting point a joint meeting between SSE RCC and ECRB GWG members could be organized.

3.3 “Rotating rule” for co-chairmanship

Mr Cariello explained that SSE Co-Chairs proposed to introduce the principle of rotation for the co-chairmanship of the region in order to strengthen the collaboration among NRAs and ensure equal representation of different point of views. After Mr Cariello's presentation on the proposed functioning of the rotating rule, **RCC members agreed that: Co-Chairs will be appointed on a different date to ensure continuity of the activities; they will serve for a mandate of two years that can be renewed; if many candidates volunteer for the co-chair position, RCC members will vote on the basis of “one SSE NRA one preference” rule; if no candidate volunteers for the co-chair position, a rule of offering/asking Regulators in alphabetical order will be followed.**

Mr Cariello announced the stepping down (after seven years) of the Italian Regulator in favor of a new candidate volunteering to become Co-Chair. Mr Niculae Havrilet expressed the willingness of the Romanian Regulators to step forward for the above position.

RCC members thanked the Italian Regulator for the work done and congratulate the Romanian Regulator for the new role. **The mandate of the Romanian Regulator will expire in May 2016, unless it volunteers for a second term.**

In order to ensure the continuity of the activity, the Polish Regulator declared that it will serve as a Co-chair at least for one year more.

4 Licencing Regime

Mr József Tamáska and Mr Tamás Kőrösi MEKH presented the results of the V4 licencing survey. The aim of the survey is to assess the current trading licence regimes applied in the V4 countries and check if the harmonization of the above regimes is the right way to foster liquidity and facilitate access to trading. They informed that V4 NRAs are still evaluating the results of the survey which will be further discussed during a forthcoming workshop at the end of May.

Mrs Kaźmierska reminded that following a request of ACER during the last SSE RCC call conference, it was decided to include a deliverable on licencing in the new WP 2015-2018. She underlined that the V4 survey is a fruitful starting point but RCC members should decide whether there is a need to extend the scope of the above survey also to all SSE countries.

Mr Cariello noted that Stakeholders opinion on this topic is important in order to know traders experiences in this field. He added that if this survey is extend at regional level, it will be interesting to find out which requirements are currently in place that are not strictly justified by security reasons. In that case regulators could propose to remove them.

The decision on whether or not extending the scope of the analysis on licencing issues will be taken on a later stage, based on the comment from Stakeholders and RCC Members during drafting the new Work Plan for GRI SSE region..

5 Work Plan

5.1 Work Plan 2011-2014: overview of activities taken up so far

Mr Cariello reminded that the current Work Plan (WP) started in 2011 and covers a period of three years (until December 2014). Priorities included were identified in collaboration with SSE Stakeholders and are linked to four main areas of work: interoperability; capacity allocation and bundled products; market integration; infrastructure and investments. Mr Cariello gave an overview of the achieved results and underlined a few projects/topics that could be taken on board also by the new WP 2015-2018. With reference to Interoperability, he remarked that more detailed actions aligned with the related NC should be included in the new WP. **He invited RCC members to provide further comments on the old WP in order to close it by December 2014.**

5.2 Work Plan 2015-2018: definition of priorities for the coming years and expected deadlines

Mr Andrzej Nehrebecki (URE) presented the drafting process for the new Work Plan 2015-2018. **He asked for comments and inputs by RCC members by the end of June in order to be able to have a first list of priorities by September 2014** and collect also stakeholders views through a public consultation. The aim is to finalise the document by December 2014. He described the main priorities that could be part of the new WP, in particular: implementation of existing gas NC, implementation of GTM II, infrastructures development, analysis on licencing regimes, monitoring of TSO transparency requirements, cooperation with EnC, assessment of the status of Third Package implementation in SSE countries. On this purpose, **Mr Ischia explained that a draft questionnaire was prepared and will be circulated for comments.** The questionnaire is aimed at collecting information on the work done and still to be done by SSE countries in order to be fully compliant with third energy package, CAM and CMP provisions. The survey will be launched at the end of 2014. On the basis of the results of this first exercise, a second survey could be launched to assess balancing and interoperability rules implementation.

AoB and Concluding remarks

The next RCC meeting will take place in Bucharest in December. The exact date will be communicated later.