



## 42<sup>st</sup> IG Meeting. South Gas Regional Initiative

14<sup>th</sup> March 2017, from 11:00 h to 14:00 h

Teleconference

Minutes of Meeting

### List of participants

Last name	First name	Organization	Email
Alonso	Alejandro	CNMC	<a href="mailto:alejandro.alonso@cnmc.es">alejandro.alonso@cnmc.es</a>
Alonso	Nuria	CNMC	<a href="mailto:nuria.alonso@cnmc.es">nuria.alonso@cnmc.es</a>
André	Gabriel	TIGF	<a href="mailto:Gabriel.andre@tiqf.fr">Gabriel.andre@tiqf.fr</a>
Apolinario	Isabel	ERSE	<a href="mailto:iapolinario@erse.pt">iapolinario@erse.pt</a>
Batista	Helena	REN	<a href="mailto:helena.batista@ren.pt">helena.batista@ren.pt</a>
Bruttin	Clemence	CRE	<a href="mailto:clemence.bruttin@cre.fr">clemence.bruttin@cre.fr</a>
Cachão	Alexandre	REN	<a href="mailto:Alexandre.cachao@rengasodutos.pt">Alexandre.cachao@rengasodutos.pt</a>
Camarillo	Javier	ENAGAS GTS	<a href="mailto:ficamarillo@enagas.es">ficamarillo@enagas.es</a>
Costa	Raquel	REN	<a href="mailto:raquel.costa@ren.pt">raquel.costa@ren.pt</a>
De Vicente	M <sup>a</sup> Ángeles	ENAGAS	<a href="mailto:madevicente@enagas.es">madevicente@enagas.es</a>
Diniz	Valter	REN	<a href="mailto:valter.diniz@rengasodutos.pt">valter.diniz@rengasodutos.pt</a>
Domingues	António	ERSE	<a href="mailto:adomingues@erse.pt">adomingues@erse.pt</a>
Duffau	Fabien	TIGF	<a href="mailto:fabien.duffau@tiqf.fr">fabien.duffau@tiqf.fr</a>
Esteves	Jorge	ERSE	<a href="mailto:jesteves@erse.pt">jesteves@erse.pt</a>
Galletta	Riccardo	ACER	<a href="mailto:Riccardo.GALLETTA@acer.europa.eu">Riccardo.GALLETTA@acer.europa.eu</a>
García	Ana Belén	ENAGAS GTS	<a href="mailto:abgarcia@enagas.es">abgarcia@enagas.es</a>
Izquierdo	Paloma	ENAGAS	<a href="mailto:pizquierdo@enagas.es">pizquierdo@enagas.es</a>
Jiménez	Rafael	CNMC	<a href="mailto:rafael.jimenez@cnmc.es">rafael.jimenez@cnmc.es</a>
Mangin	Claude	GRTgaz	<a href="mailto:claudemangin@grtgaz.com">claudemangin@grtgaz.com</a>
Monedero	Teresa	CNMC	<a href="mailto:teresa.monedero@cnmc.es">teresa.monedero@cnmc.es</a>
Piñeiro	Laura	Reganosa	<a href="mailto:lpineiro@reganosa.com">lpineiro@reganosa.com</a>
Poillion	Christophe	GRTgaz	<a href="mailto:christophe.poillion@grtgaz.com">christophe.poillion@grtgaz.com</a>
Prieto	Rocío	CNMC	<a href="mailto:rocio.prieto@cnmc.es">rocio.prieto@cnmc.es</a>
Romero	Fátima	ENAGAS	<a href="mailto:fromeroc@enagas.es">fromeroc@enagas.es</a>
Rottenberg	Jacques	Elengy	<a href="mailto:jacques.rottenberg@elengy.com">jacques.rottenberg@elengy.com</a>
Teixeira	Eduardo	ERSE	<a href="mailto:eteixeira@erse.pt">eteixeira@erse.pt</a>
Verdelho	Pedro	ERSE	<a href="mailto:PVerdelho@erse.pt">PVerdelho@erse.pt</a>
Yunta	Raúl	CNMC	<a href="mailto:raul.yunta@cnmc.es">raul.yunta@cnmc.es</a>



**All documents presented in this meeting are available on the ACER web page: <http://www.acer.europa.eu/Events/42th-IG-Meeting/default.aspx>**

## **I. Opening**

The chair welcomed all participants to the 42<sup>st</sup> Implementation Group (IG) meeting.

The minutes of the 41<sup>th</sup> IG SGRI and the agenda of the 42th IG SGRI meeting were approved.

## **II.WP First target: Use of infrastructures in the Region**

### **II.1. Use of interconnections from 1st October 2014 to 30th September 2016 (deadline: June 2017) (for information by TSOs).**

The Chair presented a detailed index of the report on the use of the region interconnections from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2016 explaining the main issues expected to be addressed in the document. After discussing the index, TSOs proposed the timeline to develop the report. Regarding the proposed timeline, NRAs asked to extend the period for NRAs' comments since one week is considered to be too short time. It is agreed that TSOs will present in the next IG meeting a preliminary draft, data, ideas, etc. to be discussed. The process should be interactive between TSOs and NRAs. ACER pointed out there are overlaps with the ACER's Network Codes Implementation Monitoring and congestion analysis activities. NRAs considered that the focus is different since the ACER's report is more general and this report analyses the NC implementation more in depth looking for improvements mainly in coordination needs. In this regard, it is agreed to have a meeting ACER-NRAs next week to discuss the index in order to avoid overlaps and ensure the best use of available resources.

The deadline for this deliverable is end of June 2017.

### **II.2. VIP Pirineos: assessment of the use of 60 GWh/day of capacity offered since January 2017 (both sides, unbundled/interruptible in FR-ES direction and firm in ES-FR (for information by TSOs).**

Since January 2017 it has been offered 60 GWh/day of capacity as unbundled/interruptible in FR-ES direction, at French side, and as unbundled/firm in FR-ES direction, at Spanish side. In the last IG meeting, the Chair proposed TSOs to assess the possibility to offer this capacity bundled in order to facilitate the access of users to this additional capacity and to maximize the use of the available capacity at the interconnection.

ENAGAS explained how this capacity has been used since January (27% of the capacity was booked in January while no assignment has been placed in February). Regarding monthly auctions, 95% of bundled capacity was allocated in January while 66% was allocated in February, leaving 34% of capacity available for daily and within day auctions. Taking into account the capacity allocated in the different auctions it seems that the appeal of this product is not related to its nature (bundled/unbundled) but with the level of demand. Regarding the possibility to offer this capacity as bundled, ENAGAS pointed out some drawbacks but in any case, they agree on offering as bundled as long as the firm tariff is applied at the Spanish side. CNMC believes it could be worthy to investigate the possibility of making bundled the capacity of 60 GWh/day.



**NRAs and ACER will further discuss in a meeting next week the detailed work in order to avoid overlaps and to ensure the best use of the available resources.**

**TSOs will present a first draft, data, ideas, etc. to be discussed in the next IG meeting.**

**Taking into account the information provided by the TSOs, NRAs will evaluate the possibility to offer 60 GWh/day of capacity as bundled.**

### **III. WP Second target: Balancing regimes in the Region follow-up of the balancing regimes from 1<sup>st</sup> October 2016 to 30<sup>th</sup> September 2017 (December 2017) (for information by TSOs):**

#### **III.1. Index (for information by NRAs)**

The Chair presented the draft index of the report on balancing regimes in the region after comments for approval. It has been received only one comment asking for explaining in detail the balancing actions and services described in the NC that are being implemented in each country as well as the methodology applied. The aim of this study is to share experience, to identify the differences between regimes in place and to know the results after one year in place. The report's aim is not just putting together data but to evaluate the performance of the regimes. ACER pointed out that there are overlaps with the ACER's Network Codes Implementation Monitoring. TSOs asked for extending the deadline until February 2018 to have enough time to develop the study.

**NRAs and ACER will further discuss in a meeting next week the index in order to avoid overlaps and to ensure the best use of the available resources.**

**The deadline for the deliverable is extended until February 2018.**

### **IV. WP Third target. Market integration:**

#### **IV.1. Iberia (for information by NRAs and TSOs):**

##### **i) MIBGAS: implicit allocation mechanism and ongoing developments.**

Regarding the implicit allocation mechanism presented in the last meeting, the Chair invited ERSE to explain ongoing developments and, in particular, the results of the public consultation launched in Portugal.

ERSE informed that the public consultation on implicit allocation mechanism is open until the 24<sup>th</sup> of March. ERSE will update on the results by the next IG meeting.

##### **IV.2. France: gas prices and internal congestions.**

It was presented the evolution of the price spreads among MIBGAS, TRS, PEGNord and TTF in the period 1<sup>st</sup> July 2016- 13<sup>th</sup> January 2017. It can be observed an important spike of prices in MIBGAS and TRS in the last days of December 2016 and throughout January which widened the spreads with the other EU markets. Since the beginning of February, prices in TRS and MIBGAS has dramatically fallen down and prices of the four EU markets analysed have converged until almost coupling. CRE presented an analysis of the prices evolution concluding that, in January, low LNG arrivals together with some problems with withdrawal of gas from can explain the increase of the spread between PEG Nord-TRS markets. The internal congestion had no impact on the supply to Spain which was also suffering from low LNG arrivals. CNMC



explained that cold weather, high demand of gas in Europe and high demand for electricity generation in Spain can explain the spike of prices in MIBGAS. From the analysis both NRAs concluded that the increase in gas prices has been market based and signal markets have worked properly in a context of gas scarcity to attract gas. In this period, it can be seen in the flows of gas and electricity through VIP Pirineos an example of the benefits provided by internal energy market.

Regarding internal congestions in France, CRE announced it is expected to have a unique balancing area and consequently a unique price in France by the end of 2018.

**Regarding MIBGAS developments, ERSE and CNMC will keep informed the IG on the developments of the implicit allocation mechanism to be implemented at VIP Ibérico. ERSE will inform the IG about the results of the public consultation on implicit allocation mechanism currently open. It is agreed to keep on following the evolution of prices and spreads and the proper functioning of the market.**

#### **V. WP Fourth target. Infrastructures: STEP project (Midcat).** (for information by NRAs and TSOs)

The Chair informed about the meeting held on 30<sup>th</sup> January with regard to the CBA of the STEP project where stakeholders were invited to provide consultants with their views. TSOs underlined the lack of stakeholders' participation in the meeting. The study will be completed by the end of May 2017.

GRTgaz pointed out that in addition to the DAR – Demand Assessment Report – asked by freshly amended CAM NC and in addition to the report on the use of interconnections, it could be interesting to also have a look on the (long-term) bookings made on booking platforms like PRISMA during the analysed period (from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2016) and to have a look on the results of the last long-term auctions in March 2017.

TSOs briefly informed on the status of the South GRIP, TYNDP2017 and PCIs.

**TSOs/NRAs will keep informed IG on the progress of the plans/projects for developing infrastructures.**

#### **VI. WP Fifth target. Pending issues**

##### **VI.1. Interoperability: final version and publication of IAs** (for information by TSOs)

The Chair informed that NRAs has already submitted both IA VIP Pirineos and VIP Ibérico full final versions. ENAGAS has published both IAs in the website together with the evaluation of responses received during the public consultation and REN has also published in their website the IA and evaluation of responses of VIP Ibérico. TIGF informed that IA VIP Pirineos and evaluation of responses will be published in their website in the following days. The Chair congratulated the TSOs for their successful work and the IG considered the IAs as completed.



**IG SGRI considered this work as finalized.**

#### **VI.2. Implementation of OSBB mechanism** (for information by TSOs)

The Chair invited TSOs to inform about the situation of the OSBB mechanism implementation envisaged by 1<sup>st</sup> April 2017. ENAGAS presented the timeline to implement OSBB at VIP Ibérico. The preliminary implementation is envisaged by April 2017 (manual mode and commercial filter) and the implementation in fully automatic mode will be completed by April 2018. TIGF informed on the timeline to implement OSBB at VIP Pirineos. The preliminary implementation is envisaged by October 2017 (semi-automatic mode) and the implementation in fully automatic mode by April 2018.

**TSOs will keep informed the IG members on the developments to implement the OSBB mechanism in a fully automatic and coordinated way.**

#### **VII. AOB**

#### **VIII. Calendar for the next meeting.**

**Next IG meeting: 23<sup>th</sup> May 2017.**