

North West – 23rd RCC

8 March 2012

EK offices, The Hague

DRAFT MINUTES

Participants			
Menno	van Liere	NMa/EK (Chair)	
Gijsbert	Lybaart	NMa/EK	
Marie-Claire	Aoun	CRE	
Bjorn	ter Bruggen	EI	
Sigrún	Eyjólfsdóttir	DERA	
Pitt	Wangen	IRL	
Sylvia	Beyer	European Commission	

1. Welcome and approval of the agenda and approval of minutes 22nd RCC-meeting

On behalf of NMa, Menno van Liere welcomed all participants and explained that representatives from two NRAs (CREG and CRE) had registered to participate in the meeting but – due to sickness – were unfortunately not in the position to attend the meeting. Following this announcement, the agenda for the meeting and the minutes of the previous RCC-meeting (September 2011) were approved. EI asked – following a question during the last RCC meeting – whether it is already clear to what extent the minutes and presentations of the RCC meeting are public. NMa indicated that both type of documents are always uploaded to the GRI NW website and that all interested stakeholders can review the documents. In this matter, NMa indicated that the RCC should strive to be as transparent as possible, but that it has already taken upon itself to draft the minutes in such a way that the minutes reflect the discussions that have taken place, while respecting the “confidentiality” what has being said by individual NRAs.

Decisions agreed:

- The draft minutes of the 22nd RCC-meeting and the draft agenda for this meeting were approved.

2. Information and updates

2.1 GRI NW Transparency project

NMa – given the fact that Ofgem was unfortunately not able to participate in the meeting – presented the achievements made within the Transparency project since the last RCC meeting (September 2011). In this matter, NMa summarized the goal of the project, being a) to monitor the compliance of TSOs against the 3rd Package transparency requirements and b) consult the market whether data has been published in appropriate manner.

Since the last RCC meeting, all TSOs in the region have been asked to complete a questionnaire (drafted within the RCC) to indicate their compliance to the relevant Transparency requirements. As a next step – after each NRA has checked the compliance assessment of their national TSO – a public consultation was announced during the 9th Stakeholder Group meeting in Rotterdam (November 2011). The consultation period ended on 20 January and about 10 responses were received (of several TSOs, shippers and several European representative organizations).

NMa explained that the *first analysis* of the responses has made clear that stakeholders are of the view that the level of Transparency has improved the last couple of years, but that still some improvements can be made by TSOs. Looking to the responses received, stakeholders with regard to the *way of publication*, have made clear that there is a demand for standardisation of data publication. Also, TSOs should provide explanatory notes if are data cannot be published (rather than just reporting “no data available”) and some information (while being free of charge) is only available on portals that require a log-on. With regard to *content*, stakeholders have indicated that they sometimes receive different data on opposite sites of an IP and also would like to see an improvement in publishing historical data and current data (near real time).

NMa also informed the RCC that in general three types of responses have come forward during the consultation: a) general comments, b) response to compliance of a specific TSO and c) feedback on the summary table. With regard to the first type of response, NMa proposed that they will be used to elaborate a conclusions report and drafting of a summary of responses, while specific responses to the compliance of a TSO should be send to the relevant NRA (who should then decide what to do next). With regard to the third type of response, it was proposed that these will be assessed in more detail before judging how to treat these responses. The RCC agreed with this suggested approach.

With regard to the next steps, Ofgem has suggested to circulate the consultation responses to each NRA and draft a summary of responses and a conclusions document. As a next step, both documents could be discussed in a Telco and then be send to the RCC for online approval. Once the document is published, it should be the TSOs that have to “pick up the ball”. The RCC agreed with this way forward.

Decisions agreed:

- Ofgem will circulate the consultation responses to each NRA and draft a summary of responses and a conclusions document;
- Once both documents are drafted, a Telco will be initiated to discuss the results and an online RCC approval will then be initiated.

2.2 GRI NW Investment project

CRE – as project leader – gave an update of the progress that has been made within the project since the last RCC meeting. With regard to the Gas Regional Investment Plan (GRIP), CRE explained that the first GRIP for the NW region has been published on 21 November 2011 and that during the Stakeholder Group meeting of GRI NW (end of November 2012) a public consultation was announced. CRE also indicated that the GRIP for the South region and Central Eastern Europe has been published, but that three other GRIPs are yet to be finalized.

Following the explanation of CRE that ACER will also monitor the GRIPs, NMa asked to what extent the GRI NW project could (or will) conflict with the ACER project. In response, CRE indicated that ACER will monitor all six GRIPs and – through a monitoring report - will likely formulate recommendation on the convergence of the GRIPs and this is likely to be on a more broad level. It is expected that GRI NW could give more detailed recommendations to the TSOs. Next to that, ACER will not start its work on the GRIPs before the 3 other GRIPs are published (expected in April-May 2012).

CRE has held a Telco with Fluxys at the end of February to discuss – among other things – feedback of stakeholders on the consultation (one response received by EFET with the message that investment should be market driven) and the feedback from the Gas Coordination Group on the GRIP for our region. With regard to the latter, it was welcomed that Security of Supply would be more deeply addressed in the upcoming GRIP.

As a next step, CRE gave an explanation on the proposed RCC recommendations on the GRIP for our region. In the opinion of CRE, there is a need to contribute to higher consistency between national and EU TYNDP. In the EU TYNDP for example, congestion is identified within our region, but the GRIP does not further elaborate on this issue. As such, deeper understanding of cross-border congestions is needed. Next to that, a modelling exercise in order to simulate the resilience of the system in situations of disruptions or to evaluate market integration. Also, more interaction with stakeholders (e.g. early dialogue between TSOs, NRAs and stakeholders in order to evaluate cross-border bottlenecks and capacity requests) is welcomed.

The European Commission indicated that the RCC recommendations sounds reasonable, especially Security of Supply is seen as a very important aspect that needs to be taken into account in the GRIP (this statement was supported by EI). A regional approach provides a good opportunity to discuss possible improvements. The European Commission finds it really important to have a cross-border analysis, more info on results of the Open Season, as to have more info on (non) FID.

With regard to the next steps, CRE proposes that a draft letter should be circulated by 16 March to the RCC. Next, the deadline for the RCC can provide comments until 27 March and provide a consistency check by NRAs between national investment plans and GRIPs 30 March. Finally, a letter is to be sent to Fluxys and in April a meeting between TSOs and NRA to discuss the RCC feedback should take place. NMa indicated that, although we should not loose the momentum, the timing might be a bit too ambitious and suggested to ask the TSO when we can send the letter by the latest.

With regard to the progress on the monitoring open season between France and Luxembourg, CRE explained the progress made so far. The outcome of the project should be a short paper in order to share the lessons learned from this process that will feed the discussions on the European level.

Decisions agreed:

- CRE will draft the RCC letter and send this to the RCC by the end of March;
- RCC can provide comments until 27 March and provide a consistency check by NRAs between national investment plans and GRIPs;
- The RCC letter will be send to Fluxys in the first week op April.

2.3 Pre-comitology meetings

NMa explained that since the introduction of pre-comitology meetings, two meetings have taken place. Based on these two meetings, both Member States and NRAs have concluded that the pre-comitology meetings have a clear added value and should thus be continued in the future. During the last meeting, several Member States have indicated that more frequent meetings to early discuss in an open dialogue the Framework Guidelines and network codes are welcomed and a few ideas how this could be organized were presented. NMa (as lead regulator) has indicated to come up with a proposal how these meetings – in terms of timing and resources – could be scheduled and propose a new way of working on how the meetings can be most efficient (getting right to the sticky issues and discuss these in an open dialogue).

To ensure that Member States and NRAs within GRI NW meet on a regular basis, as a default rule two Government meetings will be organized each year. During these two meetings, Framework Guidelines and network codes will be discussed, but also other GRI NW issues will be on the agenda. Given the strain on resources and busy agendas of Member States, NRAs, TSOs and the European Commission, it is proposed to combine the pre-comitology meetings with already existing meetings (“back-to-back”) where one of the participants (being it Member States, NRAs or TSOs) is already present. In this matter, it is stated that NRAs within GRI NW meet four times a year in the RCC to discuss – among other things – progress made within the region and the work plan for the region and these meetings always take place in The Hague. Given the fact that (just about) all NRAs participate in the RCC meeting, it is proposed to schedule the two additional pre-comitology meetings back-to-back with the RCC meetings: in the morning the RCC meeting would take place and during the whole afternoon the pre-comitology meeting would take place. Contrary to the two Government meetings, it is proposed that the two additional pre-comitology meetings only takes place if there is a clear added value to have a meeting.

To ensure that the most important topics (being either the sticky issues or more the general overview of the content) are discussed during the pre-comitology meetings, NMa will contact all Member States approximately six weeks in advance of each pre-comitology meeting to get a good understanding of the aspects in each Framework Guideline and/or network code that should be addressed. NMa will also ask Member States – with regard to the two optional pre-comitology meetings – whether there is a need to have a meeting. If it turns out that this is not the case, NMa will inform NRAs, Member States, TSOs and the European Commission that the meeting will not take place.

EI explained that they find it important that the proposal includes the possibility for ad hoc optional meetings, in case Member States – based upon a European (pre-)comitology meeting – would like to have an additional ad hoc meeting. NMa indicated that it would fit this proposal into the draft project plan.

Decisions agreed:

- NMa will finalize the draft enhanced project plan (taking the suggestion of EI on board) and send this to all Member States before the next Government meeting.

3. (Possible) new projects within GRI NW

3.1 Regional booking platform for CAM

ACER has indicated that all GRIs should work in developing a regional booking for CAM. In this matter, NMa indicated that the NC of CAM (chapter 8) states that two adjacent TSOs that need to work together and take the necessary steps towards applying the rules of this Network Code and that an action plan needs to be drafted on how to reduce the number of platforms and eventually establish a single EU-wide platform. Given the fact that the step between two adjacent TSOs working together vs. a European booking platform is a big step, there is added value to create a regional booking platform. Among others things, the creation of a regional booking platform can boost competition in NW market (one platform exists where all capacity can be auctioned), TSOs can feed the lessons learned into the ENTSOG action plan (and share the lessons learned with other regions).

During the last Stakeholder Group meeting, stakeholders encouraged TSOs to integrate booking platforms into a regional platform and the TSOs response was constructive and recognized added value of such a platform. In this matter, it was mentioned by some TSOs that a bottom up approach would be feasible (instead of a top down approach where NRAs are in the lead). Although this approach seems logical to the RCC, a number of conditions were discussed that TSOs should take into account: the NC on CAM needs to be the basis for the work, the project needs to be performed in an open and transparent process (update stakeholders and share lessons learned), stakeholders should be involved in e.g. design issues and an open dialogue between NRAs and TSOs (e.g. governance) should be ensured. NMa indicated that also some governance rules should be discussed (how do involved NRAs and TSOs interact), although that would not mean that TSOs need to have permission for each step to take (this would slow the process down and would not be in the spirit of a bottom up approach).

The RCC agreed to the proposal of NMa to present the presentation at the IG meeting and welcomed the conditions as suggested by NMa. In this matter, the European Commission emphasized that sunk costs should be avoided (which could be realized by sticking to the NC on CAM) and that the question as how to deal with costs should be well discussed between TSOs and the NRAs (possible through governance structure).

Decisions agreed:

- During the IG meeting, the RCC will explain their point of view on the creation of a regional booking platform for CAM and share the “conditions” for such a project with TSOs.

3.2 Role of GRI NW in the Gas Target Model

The Gas Target Model calls upon NRAs to assess market liquidity and degree of market integration in close cooperation with each other (and MS, TSOs etc.) within the framework of the GRIs. In this matter, the possible role of GRI NW in the Gas Target Model was discussed. Among other things, it was suggested that the assessment of market liquidity is to be done on national level but that the outcome of these analyses can be presented and discussed during the SG meetings. In this matter, NMa – as lead regulator – will further elaborate these ideas. The Gas Target Model also calls upon NRAs to consider whether measures, such as implicit auctions, would improve the efficiency in the use of interconnection capacity. In this matter, NMa – in its role as national regulator – has commissioned a study to explore – as a first step – the feasibility of implicit allocation in the gas market. During the RCC, NMa has presented the reason for – and the outline of – the report and the “building blocks” that are being explored by the consultant (the Brattle group). In the attached presentation, more information on the scope and content of the study is provided. Now that the report is reaching maturity, NMa has considered what the next steps could be to explore implicit allocation.

During the Gas Target Model discussions, it has become clear – as least for NMa – that no clear “yes or no” exists about whether implicit allocation should be applicable in the gas market. Next to that, GRI NW – of all three gas regions – is probably the most advanced region for implicit allocation. For this reason, NMa has proposed during the last RCC meeting to explore the possibility to draft a regional (RCC) paper on implicit allocation. NMa envisions that NRAs could determine their position on the feasibility of implicit allocation, using the (structure of the) Brattle report (which is a first step in the discussion) as starting point for discussion. As a second step, a workshop could be organized where TSOs, exchanges, shippers, Member States etc. could provide their opinion on implicit allocation. Finally, the results from the workshop could be taken into account by the RCC and a regional position paper could be drafted. During the upcoming Madrid Forum, NMa will make public that it has commissioned a study into the feasibility of implicit allocation and will – following the discussion during the last RCC meeting – indicate that the possibility for a regional (RCC) position paper is now explored.

Decisions agreed:

- Each NRA will discuss internally as to whether the proposal of NMa to work on a regional position paper on the feasibility on implicit allocation can be endorsed.

3.3 Monitoring Security of Supply

Given the fact that this agenda item was also scheduled to be discussed within the IG meeting (and due to time constraints), it was agreed upon that this agenda item would not be discussed during the RCC meeting.

Decisions agreed:

- Agenda item will be discussed during the IG meeting.

3.3 Energy Infrastructure Package (identification PCIs)

Given the fact that this agenda item was also scheduled to be discussed within the IG meeting (and due to time constraints), it was agreed upon that this agenda item would not be discussed during the RCC meeting.

Decisions agreed:

- Agenda item will be discussed during the IG meeting.

4. (Upcoming Madrid Forum)

Given the fact that this agenda item was also scheduled to be discussed within the IG meeting (and due to time constraints), it was agreed upon that this agenda item would not be discussed during the RCC meeting.

Decisions agreed:

- Agenda item will be discussed during the IG meeting.

5. Location next Stakeholder Group and Government meeting

NMa explained that the Danish colleagues of DERA are willing to host the upcoming Stakeholder Group meeting that will take place on 22 and 23 November 2012. With regard to the upcoming Government meeting (26 April 2012), NMa invited all NRAs to indicate before Tuesday 13 March whether they would be willing to host the upcoming Government meeting.

Decisions agreed:

- N/A

6. Next meeting

The next meeting of the RCC will be held on Thursday 6 September 2012 in The Hague.

Decisions agreed:

- N/A.