



EUROPEAN REGULATORS GROUP FOR ELECTRICITY AND GAS

The Chairman Gas Working Group

Brussels, 14 September 2009

Gas Transmission Europe
Attn. Mr. Jacques Laurelut
Rue Ducale 83
1000 Brussels
Belgium

Subject: GTE+ 2010 Annual Work Programme

Dear Mr Laurelut,

The European Energy Regulators welcome the opportunity to provide input to the GTE+ 2010 Annual Work Programme, which aims to achieve progress before the Agency (ACER) and ENTSOG become fully operational.

I enclose our detailed comments below and would also like to take this opportunity to place our contribution within the context of the provisions in the 3rd Package. With regard to the future arrangements under the 3rd Package, Article 6 (3) (b) of Regulation (EC) 713/2009 provides that the Agency shall provide an opinion to the ENTSOG on the draft annual work programme taking into account the objectives of non-discrimination, effective competition and the efficient and secure functioning of the internal market. In light of the future process for the preparation of the annual ENTSOG Work Programme, the enclosed views do not represent the formal view of ACER (which is as yet not operational), but should rather be considered as our input to the GTE+ 2010 WP.

As a general comment, we would like to reiterate the importance of the framework guidelines and of the process for their adoption, including the role of ACER in the 3rd Package arrangements. Under the future arrangements, ACER formally submits the proposal for the framework guidelines to the European Commission and steers the associated public consultation procedure. We would like to clarify that according to Regulation (EC) 715/2009, the European Commission does not formally approve the framework guidelines but rather reviews whether they contribute to non-discrimination, effective competition and the efficient functioning of the market.

ERGEG's view

European Energy Regulators welcome "GTE+'s 2010 Annual Work Programme Consultation – Initial thoughts". ERGEG broadly agrees with the identified priorities for the 2010 work. Nevertheless, we would like to highlight the importance of transmission tariffs. In our 2010 WP consultation document¹, we envisage work in 2010 on many areas, including inter alia, on input to framework guidelines on Balancing and Transmission Tariffs.

¹ "Draft European Energy Regulators 2010 Work Programme" Ref: C09-WPDC-18-03, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/OPEN%20PUBLIC%20CONSULTATIONS/2010%20Work%20Programme/CD
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Establishing ENTSOG

European Energy Regulators welcome the early establishment of ENTSOG in order to allow the start of ENTSOG's work during the interim period before the 3rd Package provisions take full effect. Any costs related to TSO participation in these activities will be treated in accordance with Article 11 of Regulation (EC) 715/2009 (providing that costs are reasonable and proportionate).

Capacity Product Co-ordination

European Energy Regulators welcome GTE+'s resource planning for work in this area and agree that close co-operation between regulators and TSOs needs to be ensured. We are pleased that the scope of the pilot framework guideline and the pilot network code has already been agreed between the European Commission, GTE+ and ERGEG.

However, we note that there are some inconsistencies in GTE+'s 2010 Annual Work Programme with regard to the timing of this deliverable. ERGEG plans to submit its pilot framework guideline to the European Commission in March 2010.

Transparency

European Energy Regulators welcome the further development of GTE+'s transparency platform regarding data quality and TSO participation. We welcome the early implementation of transparency standards as outlined in Regulation (EC) 715/2009.

European 10-Year Network Development Plan

European Energy Regulators agree that a European perspective is essential for the development of the European 10-Year Network Development Plan. As we outlined in our "Recommendations on the 10-Year Network Development Plan"², a combination of a top-down and bottom-up approach is essential for delivering a European perspective.

At the ERGEG workshop on the 10-Year Network Development Plan on 29 April 2009, we announced the launch of a CEER/ERGEG study on model-based analysis of the European natural gas network. The main objectives of the study are to:

- reach a common understanding between NRAs on demand/supply scenarios and the future development of the EU's gas network (top-down approach);
- identify major challenges in Europe's gas infrastructure (physical bottlenecks);
- prepare for the future work of ACER, notably in assessing the ENTSOG 10-year Network Development Plan; and
- provide input to GTE+ Network Development Plan.

European Energy Regulators highlight that the study does not aim to duplicate the work by GTE+ in this area. We will rather use this study to undertake our own analysis, to contribute to the discussion and to deepen regulators' knowledge of the European gas network.

European Winter and Summer Outlooks

² Ref: E08-GNM-04-03 "ERGEG Recommendations on the 10-year gas network development plan"



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European Energy Regulators welcome GTE+'s work on the European Winter and Summer Outlooks. The last Winter Outlooks presented a very useful tool and further development is welcomed. However, Regulators would welcome a European perspective in the future European Summer Outlook.

Balancing

European Energy Regulators acknowledge the importance of appropriately harmonised, market-based gas balancing regimes for the functioning of the internal gas market. Furthermore, we believe that transmission tariffs are also an important topic for 2010. The results of the European Commission's study on Article 3 and Article 7 of Regulation (EC) 1775/2005 which will be published in the autumn will initiate a discussion on both issues. ERGEG will work in 2010, inter alia, on input to framework guidelines on Balancing and input to framework guidelines on Transmission Tariffs.

Procedure on Harmonisation of Maintenance Publication

European Energy Regulators welcome GTE+'s efforts to harmonise maintenance publications. However, we highlight that the term "code" is misleading since the 3rd Package provides for network codes. Furthermore, ERGEG reiterates that TSOs need to cooperate in order to coordinate maintenance according to Regulation (EC) 1775/2005 as well as Regulation (EC) 715/2009.

We look forward to our continued fruitful and close cooperation with GTE+.

With my best regards,

Walter Boltz
Chairman ERGEG Gas Working Group