

Building the Framework for the Natural Gas Market in Europe

IENE - 19th National Energy Conference 'Energy and Development 2014'

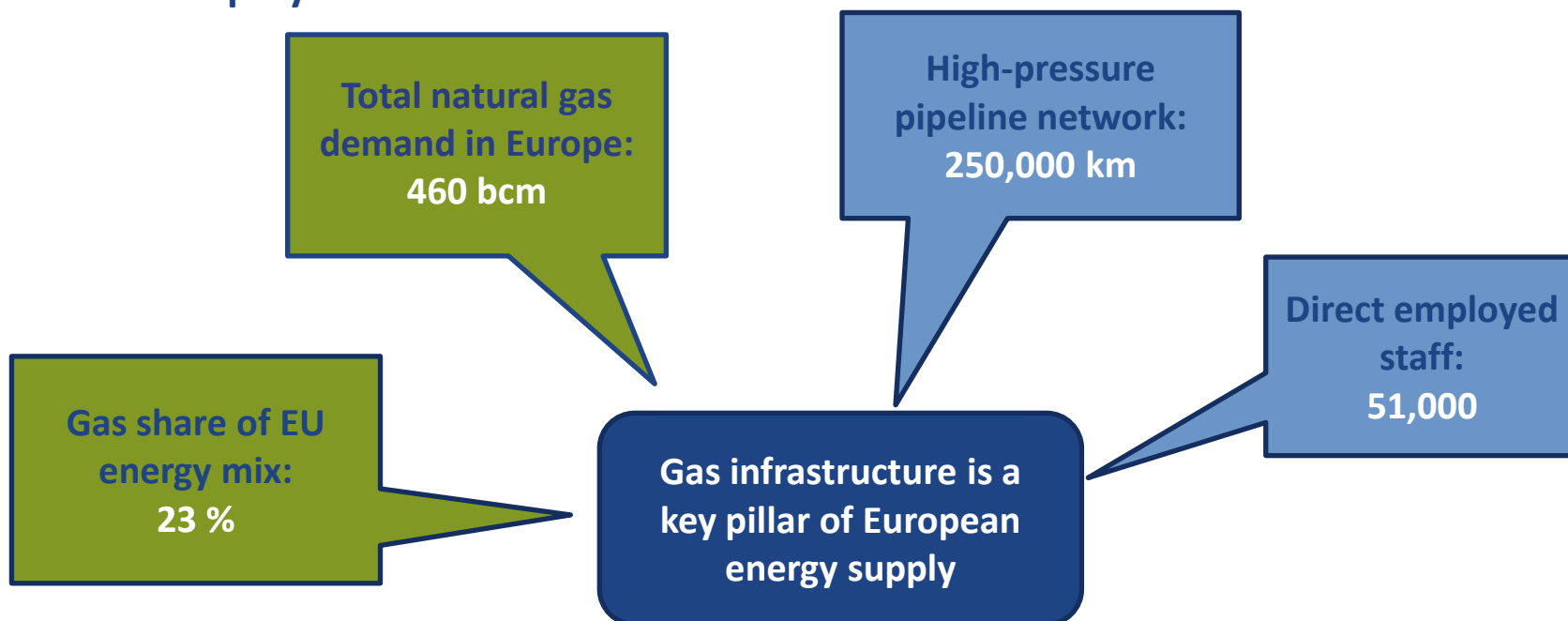
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Introducing ENTSOG

European Network for Transmission System Operators for Gas

- > Founded by European Gas Transmission System Operators (TSOs) 1 Dec 2009
- > 44 Members – (3 Associated Partners + 4 Observers)
- > 26 Countries represented
- > 30+ employees





Role of ENTSOG



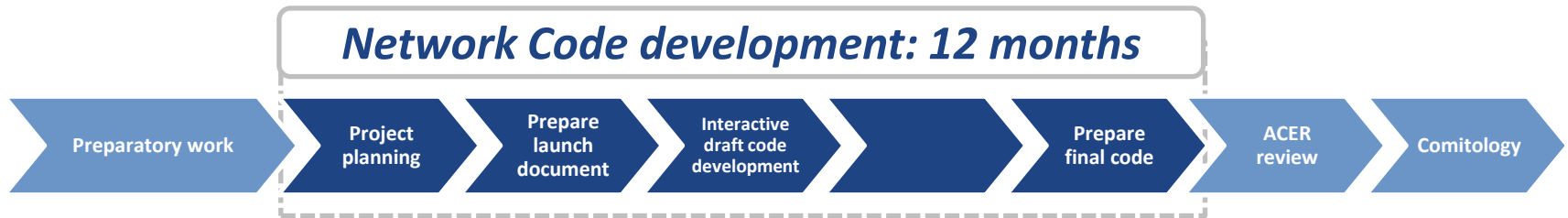
- > *To facilitate and enhance the **cooperation** between national gas of TSOs across Europe in order*
- > *To **promote the completion and functioning** of the internal market in natural gas and cross-border trade and*
- > *To work for optimal management, **coordinated technical operation** and sound technical evolution of the natural gas transmission network.*



ENTSOGEs Tasks - Overview



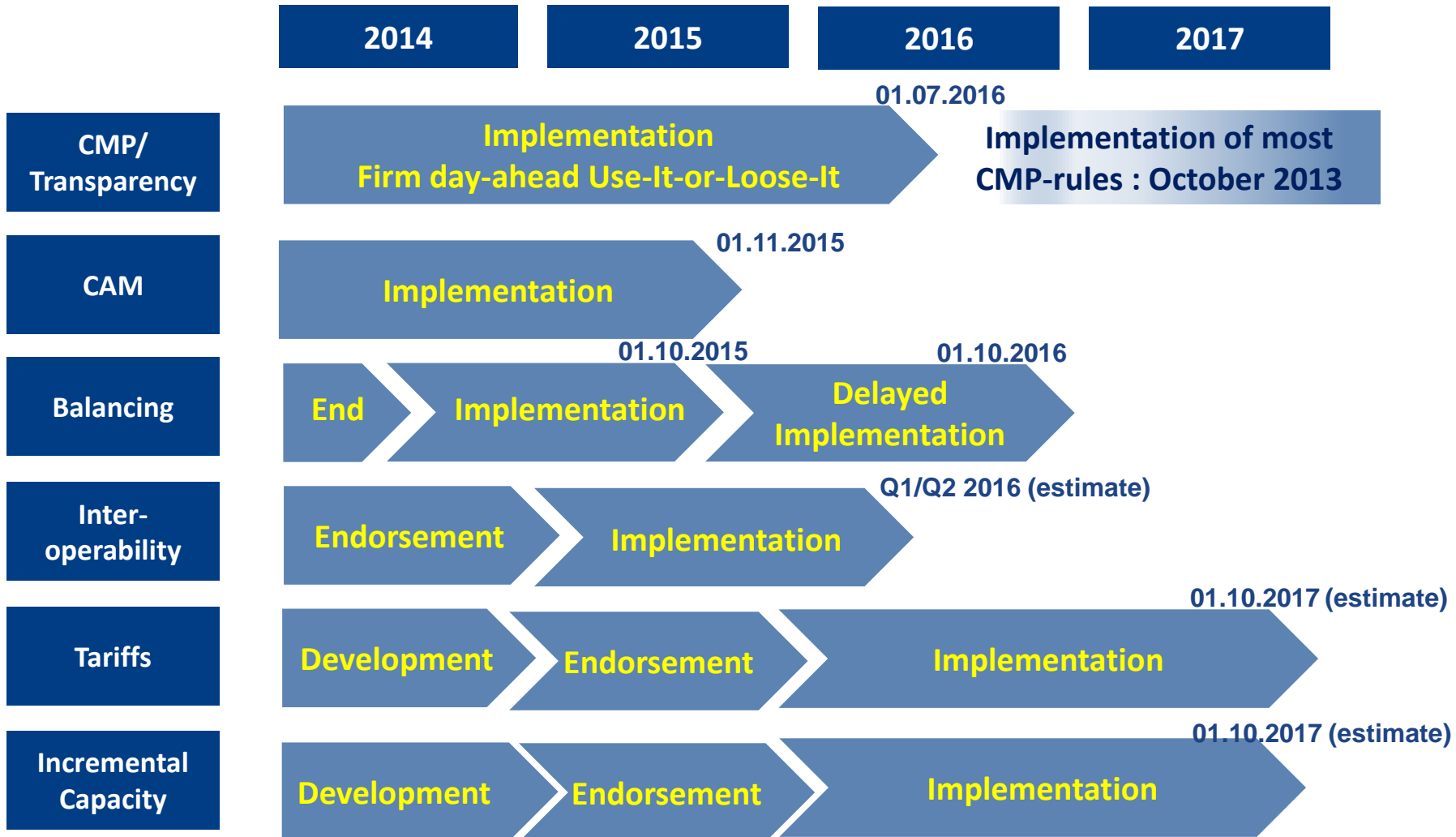
- > Pan-European Network Codes cross-border/market integration issues



- > Pan-European **Ten-Year Network Development Plan** ('TYNDP')
- > Regular **gas supply/demand outlooks** on the European market
- > Develop **common operational tools** (CNOTs): network security and reliability
- > Providing **information/data** (Transparency Platform, maps)



Network Codes: Where we are now ?



Progressing towards the new gas framework





What will Network Codes achieve? (1)

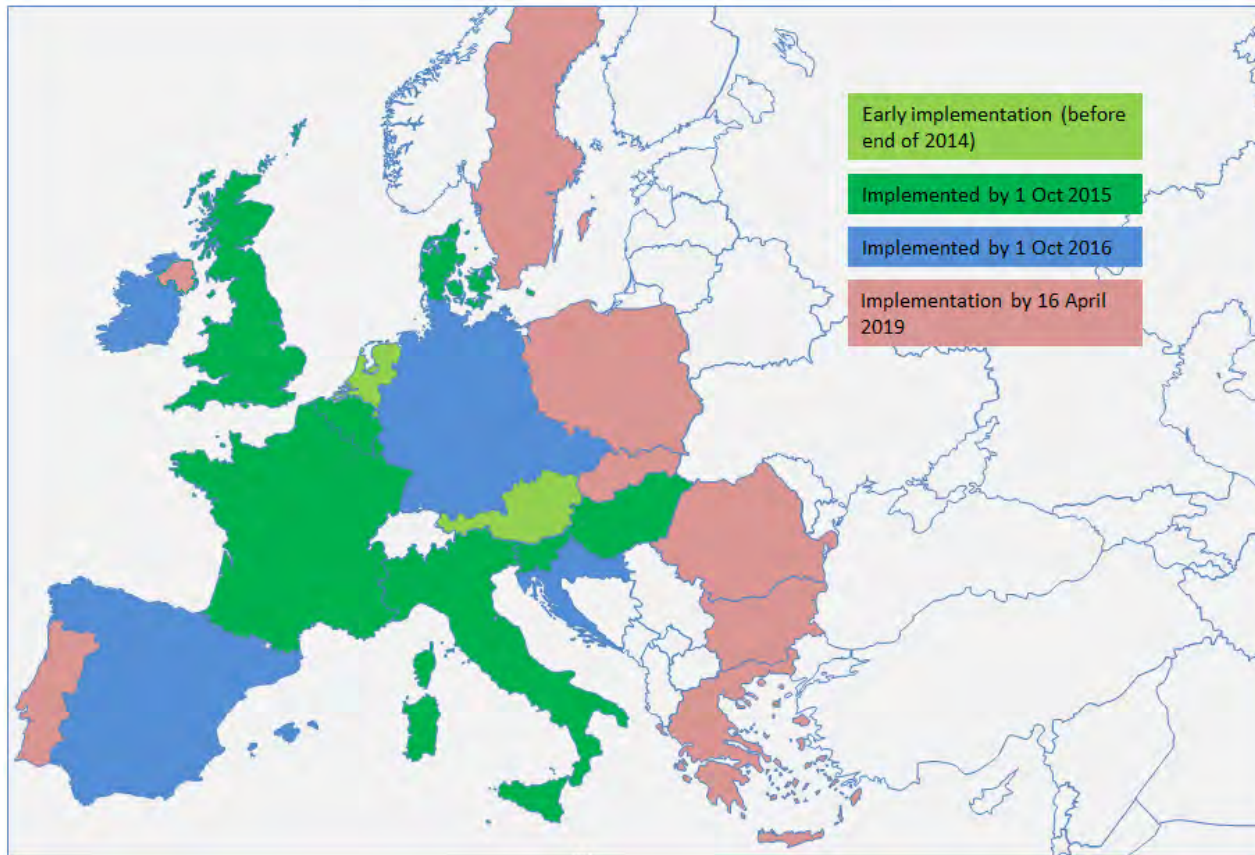
Goal	Measure	NC relation
More transparency	<ul style="list-style-type: none">- Rules on information provision- Transparency Platform- Publication requirements	CMP, BAL CMP TAR
Reduce access barriers, improve competition	<ul style="list-style-type: none">- Standardised network access via auctions- Reduction of contractual congestions- Reduction of physical congestions	CAM CMP INC
Reduce technical barriers	<ul style="list-style-type: none">- Harmonised rules for TSO-TSO cooperation- Communication procedures, data exchange tools- Common set of units for communication- Handling of gas quality differences	INT



What will Network Codes achieve? (2)

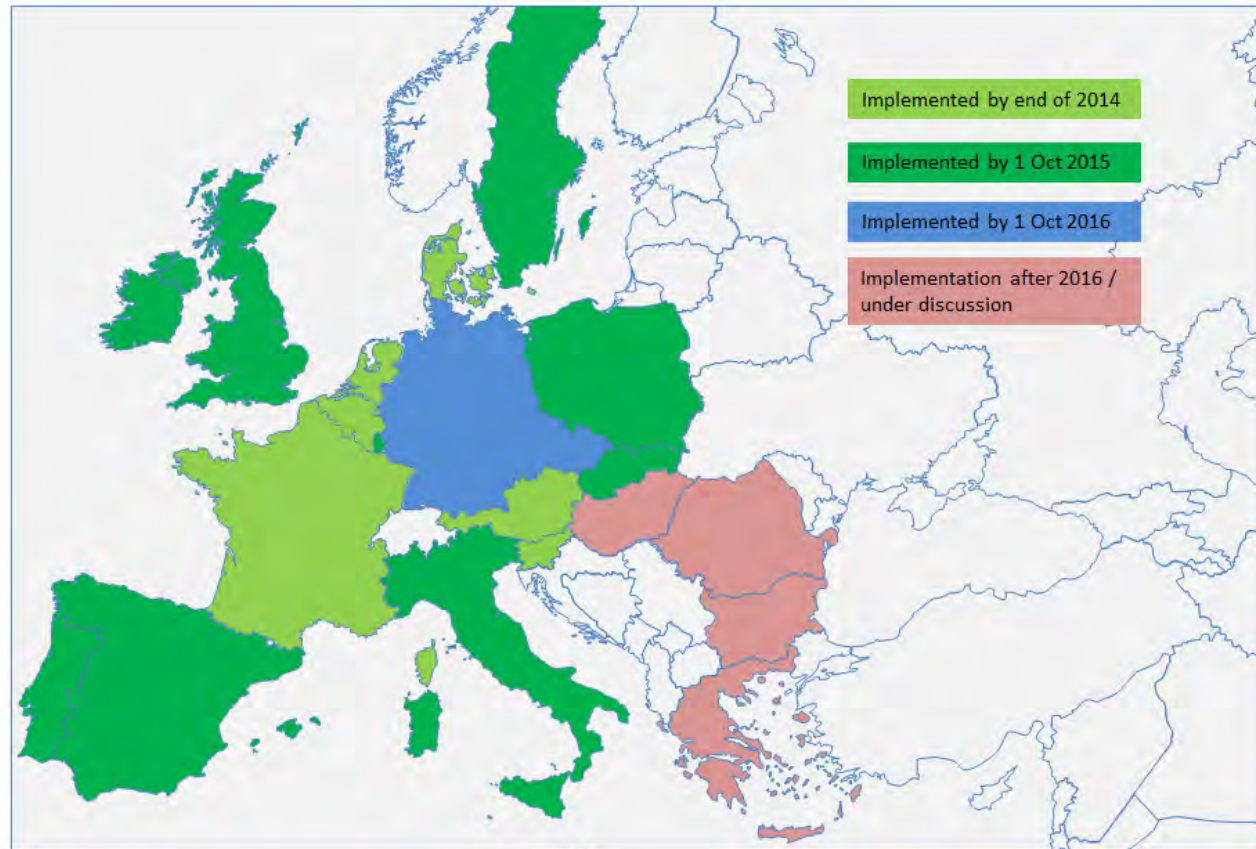
Goal	Measure	NC relation
Improve short term liquidity	- Products for balancing energy	BAL
Connect markets	-Easier market merger through harmonised balancing regimes	BAL
	-Hub-to-hub connection through bundled products	CAM
	-Incremental capacity procedures to cover market driven demand	INC
Harmonise legislation across EU	-Harmonised rules on congestion management and capacity allocation, transparency, balancing, interoperability and data exchange and tariff setting	ALL NC
	→ EASIER TO TRADE AND SUPPLY GAS IN EUROPE	

Balancing - Expected implementation timeline



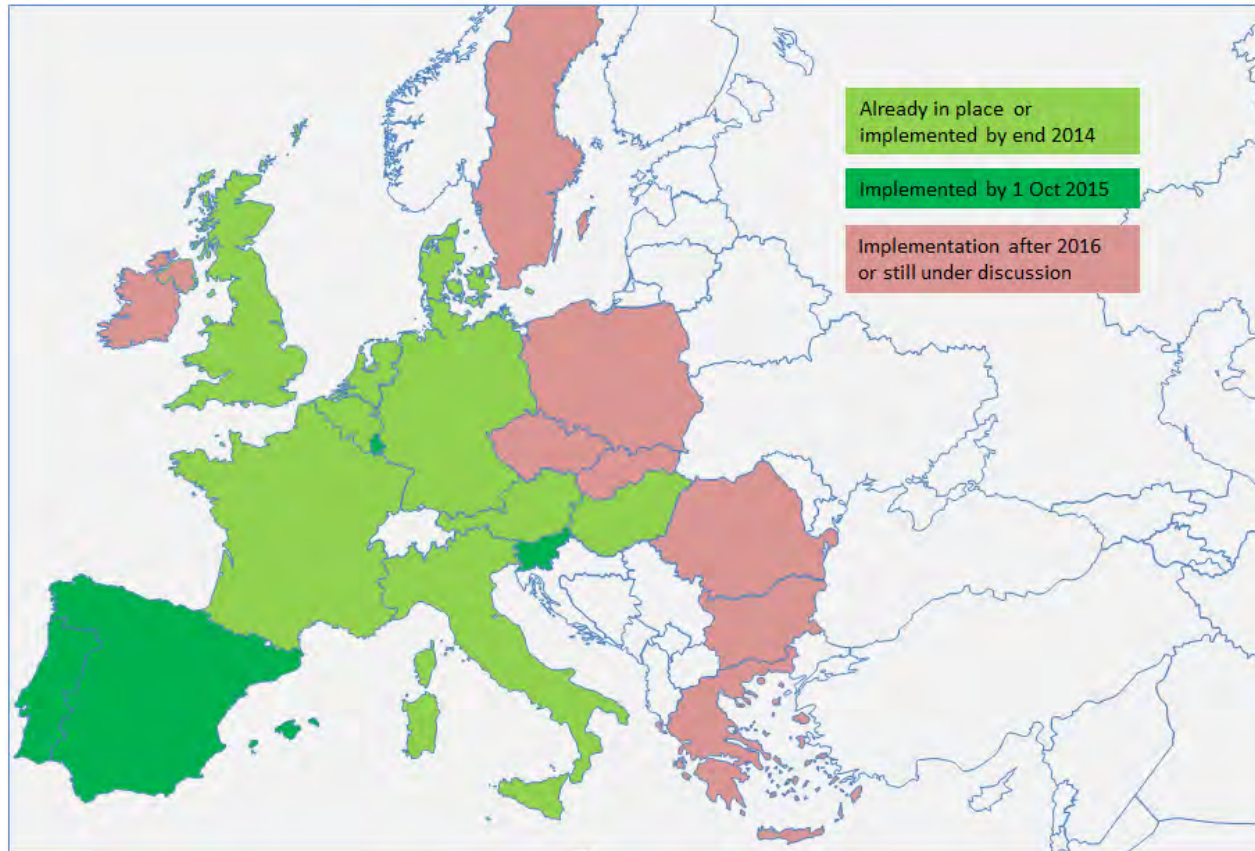
**By 1 October 2015 => BAL NC implemented in 10 COUNTRIES
(AT, BE, DK, FR, GB, HU, IT, LU, NL, SI)**

Capacity Allocation - Information Provision



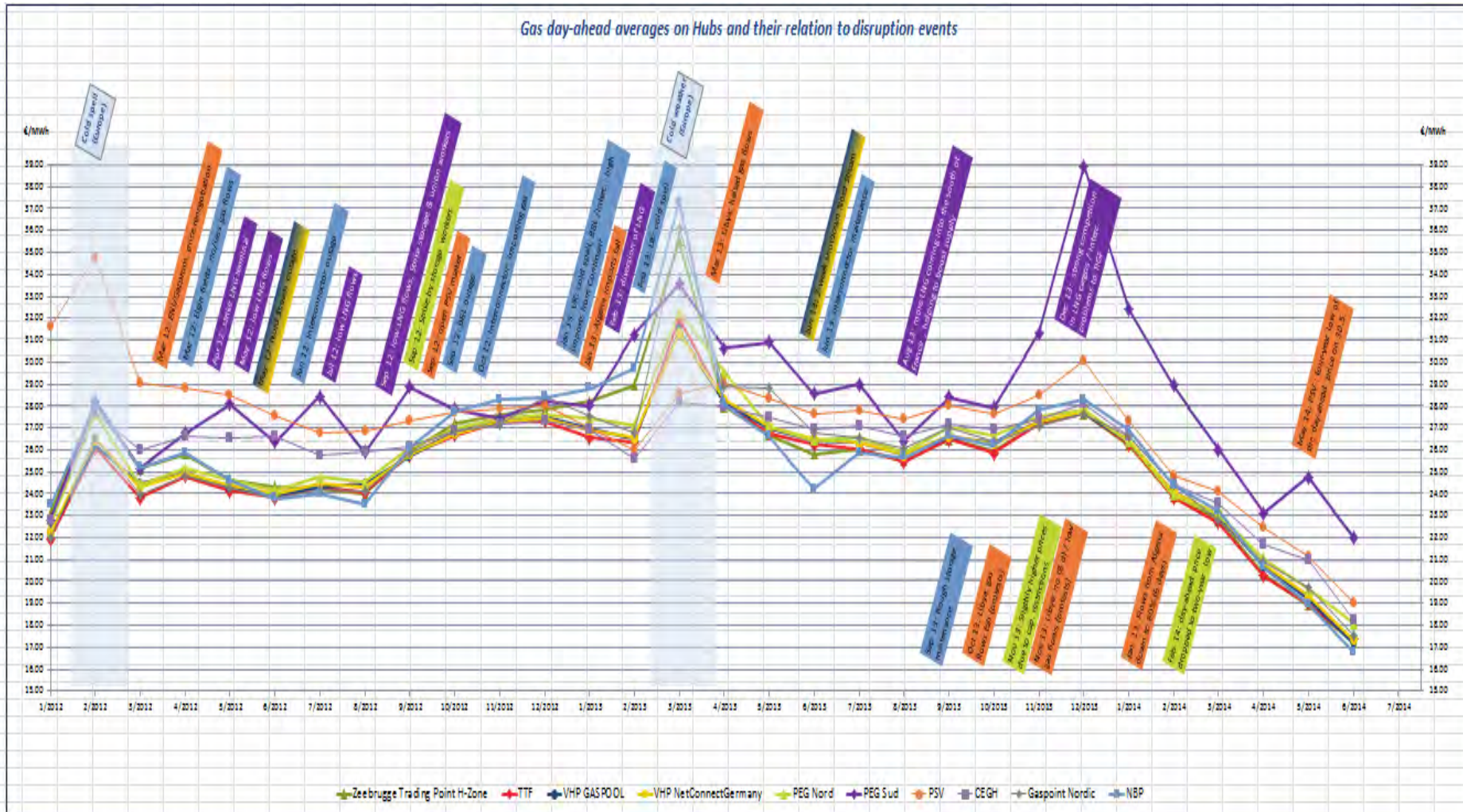
- Strong efforts by the majority of MS to comply by 2016
- Cross-border cooperation expected/ongoing

Capacity Allocation - Choice of Trading Platform



Trading platform solution undecided in a number of markets even beyond 2016

European Gas Price Convergence





Way Forward for the Internal Gas Market

- *High priority to implementation of network codes to create the framework for the market*
- *Dialogue with market players is essential*
- *Focus on early implementation – Greece could be an example i.e. on Balancing Network Code*

ENTSOG urges members to engage in development and implementation of network codes



Thank You for Your Attention

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