

GRI NW region conference  
The Hague,  
24 October 2007



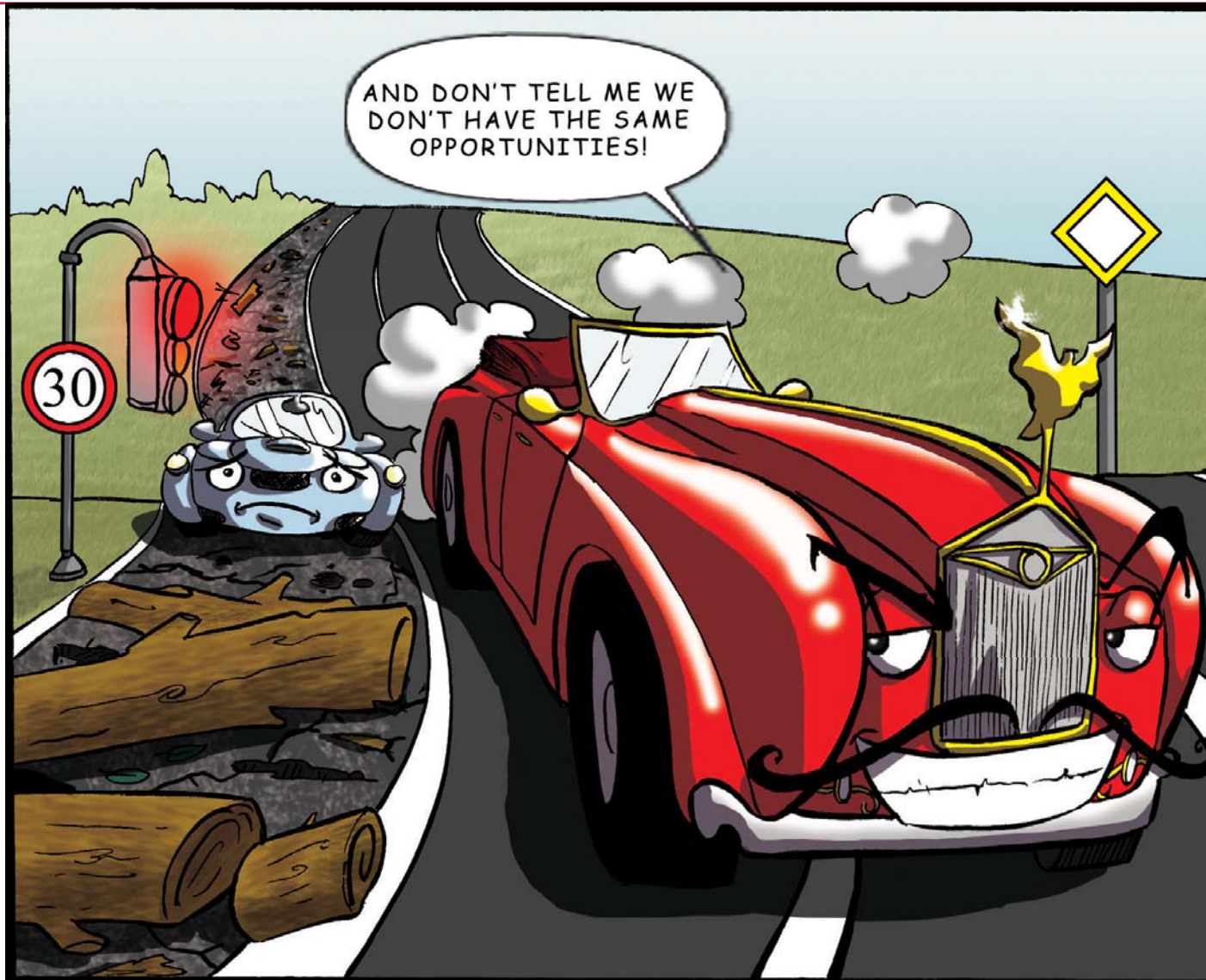
European Federation of Energy Traders

## Progress and prospects for the Gas Regional Initiative – Focus on NW Region

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# Access across the EU gas market!



## Fundamental questions

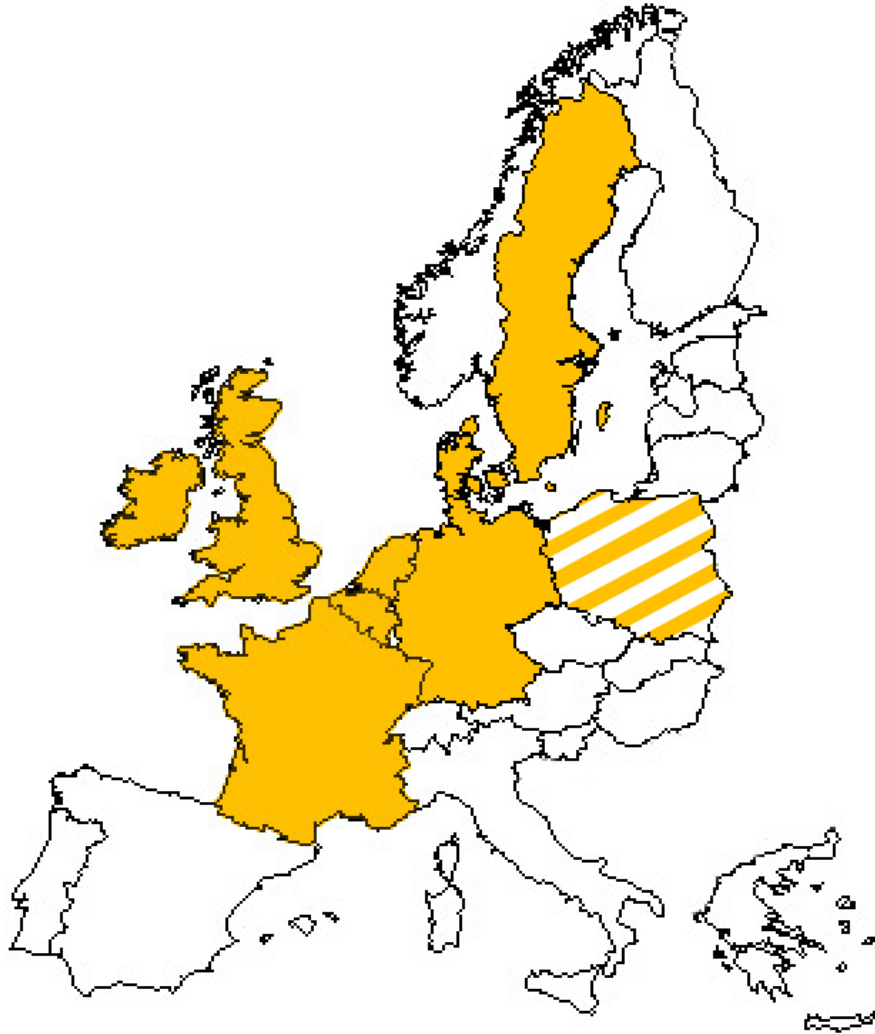
- Did we do the right thing?
- Did we do it well?

- Transparency, interconnection capacity and hub development are common priorities for all South, South-East and North-West GRI
- Progress in S and SE has been mixed
  - Investment decision in French-Spanish interconnection capacity still not finalised
  - Common capacity booking platform in SE, but lack of access to capacity persists

# THE GAS REGIONAL INITIATIVE

## North-West region – work focus

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- Hub development
- Transparency
- Primary & Secondary capacity
- Regulatory coordination
- Balancing

- Identification of clear **transparency requirements**
- Launch of pilot project for **secondary capacity trading** at trial border points
- **Identification of legal barriers** for market-based capacity allocation
- **MoU legal on regulatory coordination** may be a stimulus for better coordination on investments and allocation on cross-border capacity

- **Contractual congestion** impedes access to firm cross-border capacity
- **Information is still not published**
- Different balancing and hub rules leading to **fragmented markets** and reduced liquidity
- **Insufficient cooperation** between TSOs and between regulators for X-border issues

- Low efficiency in the process: input from all stakeholders difficult to manage
- Identification of legal & network code barriers halted progress and motivation
- Fundamental market structures which impede competition not tackled



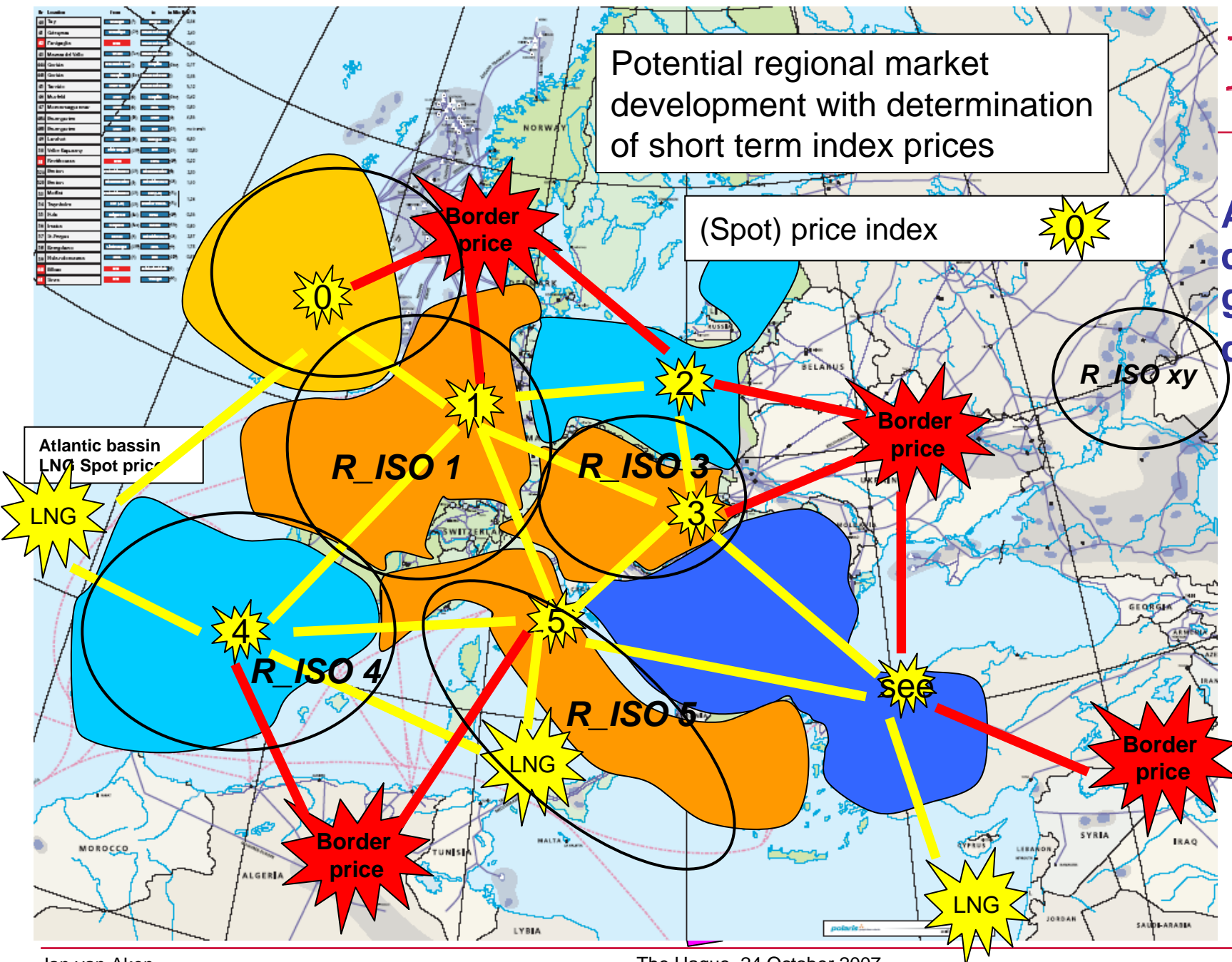
## Fundamental Questions and Answers

- Q: Did we do the right thing?  
A: Yes
- Q: Did we do it well?  
A: No, process and expectations need to be managed better to achieve shared goals

***The good news is: room for improvement based on lessons learned***

- Focus on fewer key topics:
  - e.g.: availability and allocation of cross-border capacity
- Focus on practical results
- Develop an even more “problem-solving” spirit and approach

A shared direction for gas regional development



# Thank you for your attention

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