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

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Access across the EU gas market!

AND DON'T TELL ME WE DON'T HAVE THE SAME OPPORTUNITIES!
Did the GRI deliver?

Fundamental questions

- Did we do the right thing?
- Did we do it well?
The Gas Regional Initiative

- 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

- Hub development
- Transparency
- Primary & Secondary capacity
- Regulatory coordination
- Balancing
Some progress…

- 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
…but fundamental problems persist

• **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
Key barriers to quick success: last year

- 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
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
How can GRI deliver better next year?

• 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
Potential regional market development with determination of short term index prices

A shared direction for gas regional development
Thank you for your attention

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