

EFET Press Release

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EFET Publishes Principles for European Gas Market Development

The European Federation of Energy Traders has updated its guiding principles on Gas Market development. The new Gas position paper on www.efet.org sets out the fundamentals in some 30 areas from ‘Ancillary Services’ through to ‘What should be regulated?’

“Despite the gas market directive coming into force last summer we are still far from the goal of a single European Gas Market” said Colin Lyle Chairman of the EFET Gas Committee. “The guidance in this EFET document is an ideal starting point for market participants and regulators to check that implementation is taking place in a way that will facilitate wholesale gas trading and enable competition in gas supply”.

Looking ahead, the EFET Gas Committee has decided to concentrate on four priority areas in 2005:

- Gas Hub development
- Capacity Markets
- Balancing
- Entry – exit implementation

Vice Chairman of the Committee, Eric Bensaude explained “we have already formed the Gas Hub Development Group to move forward with this first issue, we are now forming additional project groups within the EFET Gas Committee to champion the changes needed to establish capacity trading, market based balancing and proper implementation of entry exit”.

EFET believes that effective unbundling and transparency are important in all these areas and has produced position papers on both these issues “I’d like to draw particular attention to EFET’s Gas Market Information paper published in May this year” said Colin Lyle. “Gas Traders and other market participants need information both for efficient access to gas systems and to provide confidence in the developing traded markets”. Issues dealt with in EFET’s Market Information paper include:

1. Capacity booking
2. Allocation
3. Network outages
4. Congestion management
5. Balancing
6. Capacity and Commodity release
7. Storage
8. Supply and Demand Forecasts
9. Price Transparency



Only once there is sufficient unbundling of networks and information transparency will companies have confidence to put their capital at risk in the commodity markets. The emergence of real gas trading activity will be evidence that sustainable competition has begun in the continental gas market,but unfortunately a lot still has to be done to achieve this goal.

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