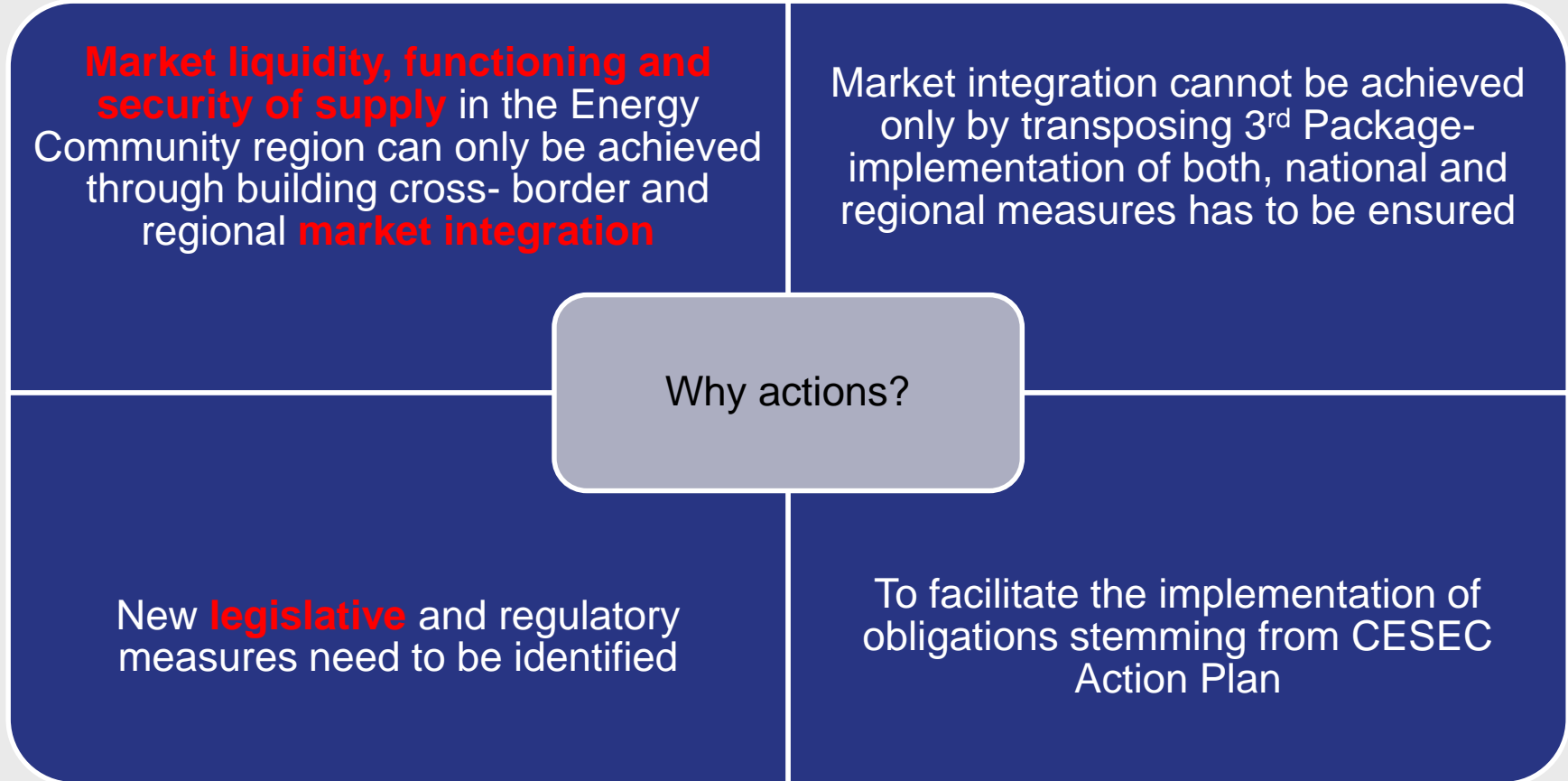


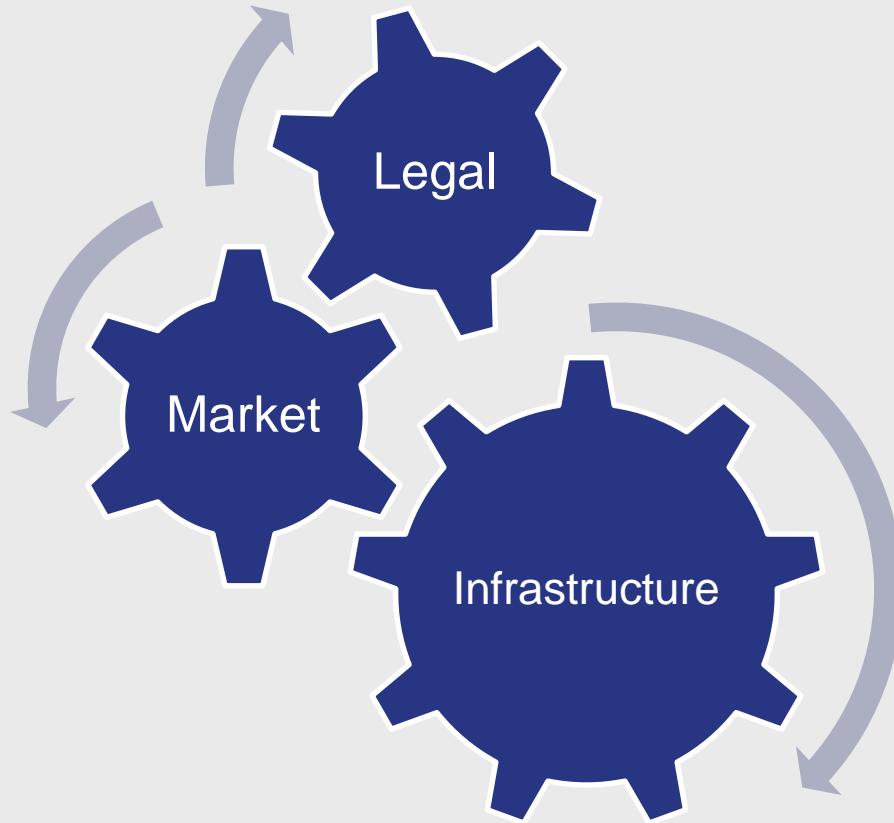


Energy Community Gas Action 2020

Energy Community Secretariat

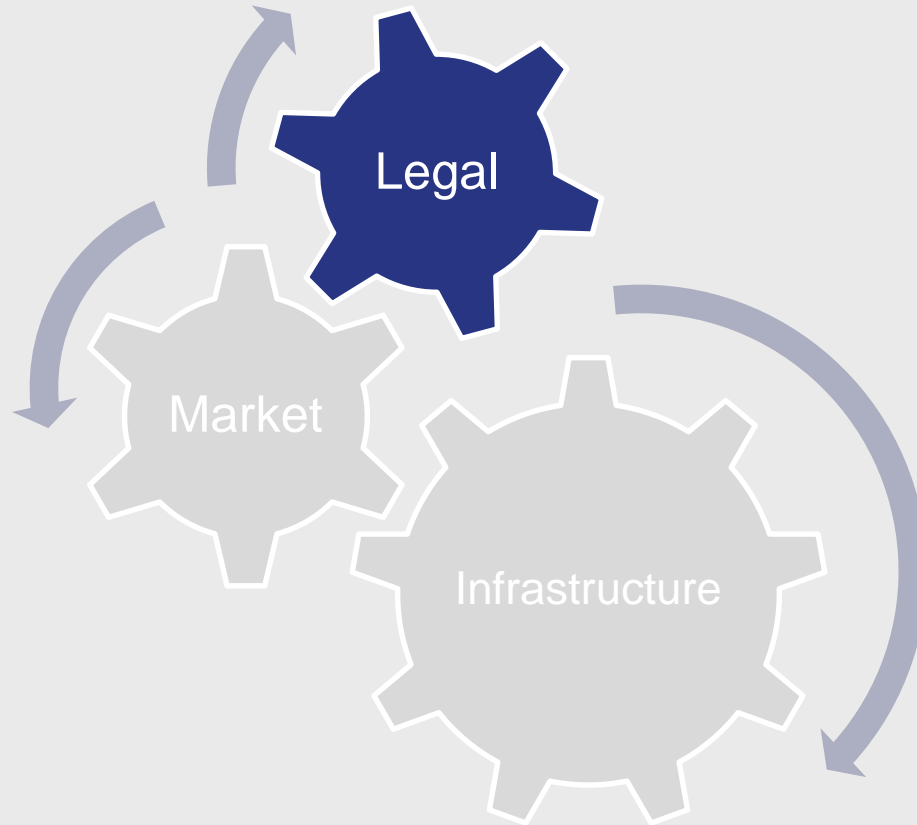


- Uncertain role of gas in some CPs – mixed energy policy signals and lack of commercial market test
- Lack of functioning markets
- Poor interconnectivity – infrastructure or legacy related
- Some basic principles of the Third package still not applied
- Certification of TSOs and their unbundling at low rate
- Asymmetry at the interconnection points – EU MS vs EnC CP



Incl on IPs between CPs
and neighbouring EU MSs

[1] legal measures

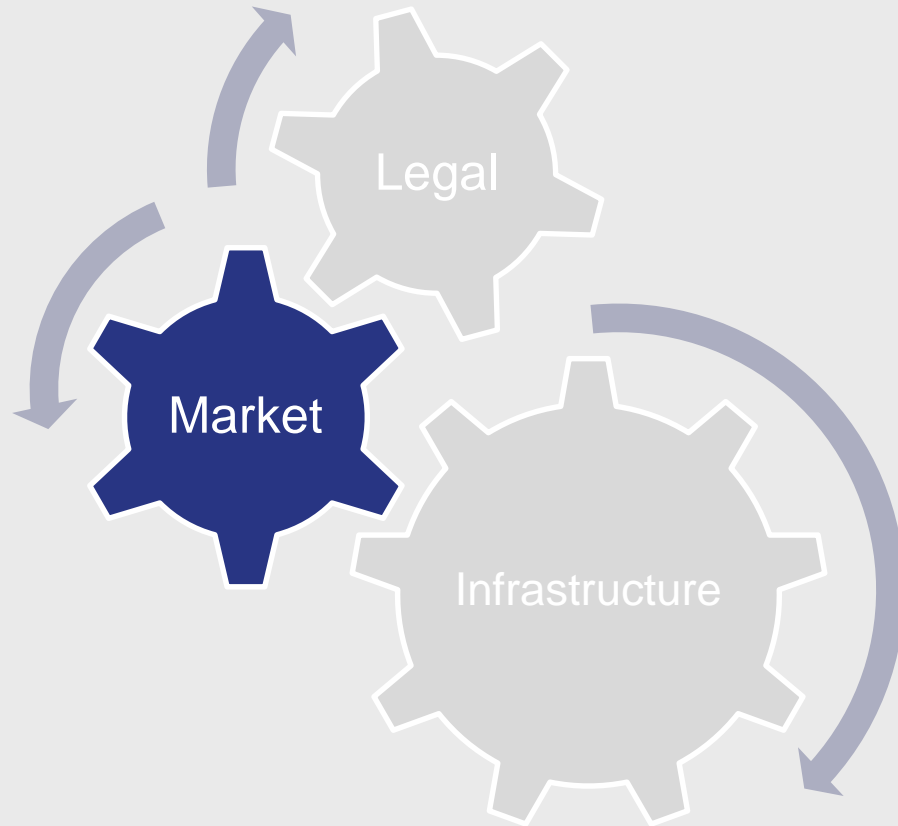


- Finalising the legal framework
 - CPs to honour their commitments: unbundling and certification of TSOs (the deadline was 1 June 2016) from Q1 2017
 - Enforcement of transparency and balancing provisions from Regulation 715/2009 in practice from Q2 2017
 - Contracts review from Q2 2017
 - Security of Supply Statements submission
- infringement actions as ultimate means

Improving status quo: regional measures

- New acquis: adoption of gas network codes and guidelines
 - Q 1-2 2017: Interoperability (IO) and congestion management (CMP) NCs
 - Q4 2017: Capacity allocation (CAM) and balancing (BAL) NCs
 - Q1-2 2018: Tariff (TAR) NC
- Reciprocal application of market rules and governance – Treaty amendments; October 2017
- Mutual recognition of trading and supply licenses – draft MC decision; October 2017
- Special assistance: Georgia primary and secondary legal framework 2017-18

[2] market measures



Goal

Concluding new interconnection agreements and aligning existing with IO NC

Interconnection agreements: RO-MD, UA-MD, UA-PL, UA-SK, UA-RO, RS-HU, RS-BA, MK-BG

ECS actions

Supporting TSOs and NRAs in IO NC implementation

Moderating bilateral IA negotiations

Timeline

IA negotiations: Q2 2017-Q2 2018

IO NC implementation: Q3 2018 (adoption in Q1-2 2017 provided)

Goal

Definition of standard products and units, allocation methodology and auctions as provided in CAM NC (according to implementation steps agreed within the working group)

Selection of capacity booking platform by CPs and neighboring EU MSs

Bundling of cross- border capacity and its offer on capacity booking platforms

ECS actions

In meetings with the WG to develop a road map for reaching bundled cross- border capacity allocation at a booking platform, including identification of legal or regulatory barriers in the CPs and/or on interfaces to EU MSs.

Support NRAs and TSOs in selection of a capacity booking platform, including support on development of tender / procurement documents based on an analysis of the national public procurement requirements

Timeline

Road map finalization: Q4 2017

Implementation of the roadmap: Q2 2018 – Q2 2019 (adoption of CAM NC in Q4 2017 provided)

Goal

Establishment of functioning VTPs and trading platforms as precondition for harmonization of balancing rules and increase of liquidity

Harmonization of balancing systems starting with balancing system, nominations and re-nominations, information provision

ECS actions

Develop with the WG a roadmap for identifying the measures needed to establish functional VTPs and trading platforms as well as the measures needed for harmonized regional balancing rules.

Timeline

Roadmap finalisation: Q4 2017

Functional VTPs and organization of or joining the existing trading platform(s): Q2 2018

BAL NC implementation: Q3 2018 – Q2 2019

Goal

Assisting the authorities of Moldova and FYR of Macedonia in entry exit tariffication methodology development

Assisting authorities of BIH in establishing transmission tariff methodologies avoiding excessive transmission tariffs stemming from tariff pan-caking

Gas transmission tariff reforms, establishment of cross border entry-exit zone(s), abolishment of price differences and pan-caking of tariffs across countries via zonal merger

ECS actions

Development of a project plan for the cooperation between the ECS and the MD authorities on the development and implementation of the new entry-exit tariff methodology.

Reviewing and providing proposals to the draft entry- exit tariff methodology of the NRA of Macedonia

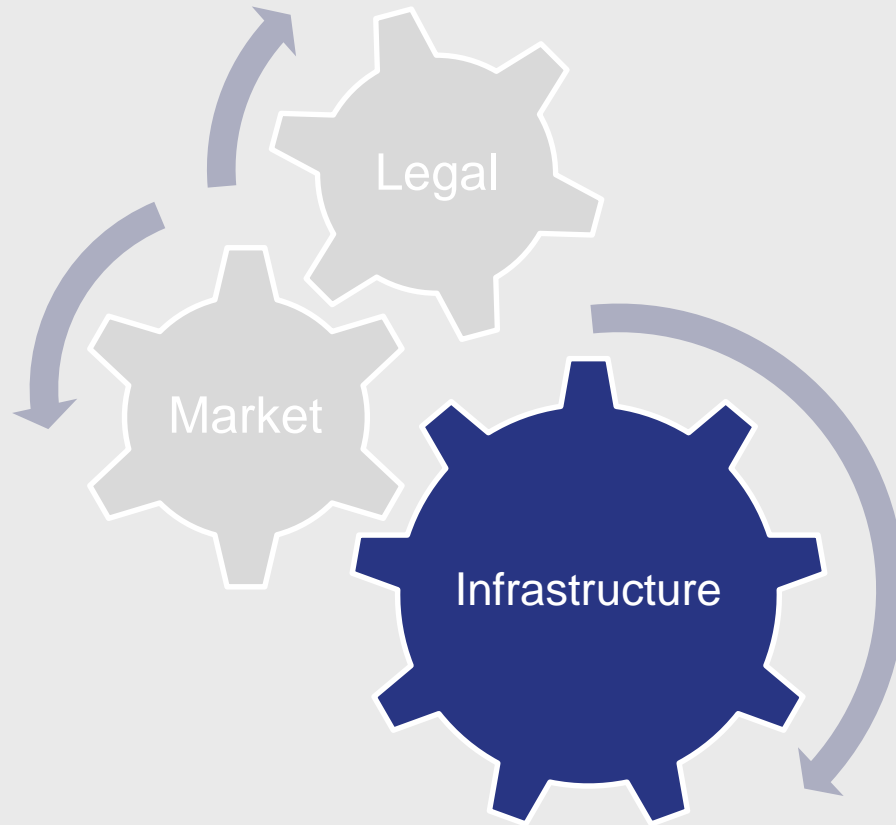
Monitor proper implementation of entry-exit tariff methodology in Ukraine

Timeline

Goals 1 and 2: Q1-Q4 2017

Goal 3: options and barriers to tariff reform identified in Q4 2017, implementation of identified actions in Q2 2018 – Q4 2019

[3] infrastructure measures



Why is infrastructure included in the Gas 2020 Document...?

- Hardware and software goes hand-in-hand
- Infrastructure is also part of a holistic market development approach (Role of promoters, NRAs, Ministries, other SHs)
- Market and infrastructure development runs parallel in new markets – connection points between the two exist
- Infrastructure development is a necessity for all the existing EnC gas markets



Duties of the Secretariat₁

- PECI/PMI labels have been important for the promoters. Now cooperation and implementation should follow.
- The Secretariat already has defined duties in Regulation 347/2013 which partially overlap with the Gas 2020 initiative:
 - ✓ Monitor the progress of the projects
 - ✓ Prepare Reports
 - ✓ Create and maintain a Transparency Platform
 - ✓ Facilitate Implementation

- Setting and publishing tangible goals for each project, defining steps and deadlines to reach them increases transparency and promoter awareness
- Best scenario is of course if if no ECS intervention/coordination/facilitation is needed and projects advance themselves
- ECS is ready to answer concrete requests to assist or facilitate realization apart from the Gas 2020 initiative

Energy Community Secretariat has its duties regarding the PECE/PMI projects anyway
The Gas 2020 document brings these efforts on a common platform with Market related efforts

- Project Promoters should go ahead with project implementation and cooperation
 - ✓ With their promoter partners define joint project schedules
 - ✓ Clarify technical details on expert level
 - ✓ Act in order to mature the projects (financing plans, technical plans, permitting, etc.)
- The Secretariat will continue project monitoring, create the Transparency Platform, report to the Gas Group, ECRB
- In line with the proposed actions the Secretariat will approach the promoters to facilitate coordination

Legal

- **Mutual recognition of trading and supply licenses:**
- ECS will draft proposal for the MC Decision; meeting with NRAs and relevant Ministries

Market

- **Interoperability:**
- Bilateral meetings on interconnection agreements: second half of April 2017
- **Capacity allocation:**
- Meeting of Working Group (CP and neighboring EU MS TSOs and NRAs):
- drafting roadmap- for the purpose of gaining ownership of the process, volunteers are invited (ECS offers help in any case)

Infrastructure

- **Coordination:**
- ECS to continue project monitoring in line with the adapted Regulation 347
- ECS has yet to approach some of the promoters regarding some of the projects to facilitate project realization/coordination
- Continue working with promoters (e.g. IBS, MD-RO, BiH-HR, IAP, ...)
- Any direct request from promoters