



# CESEC

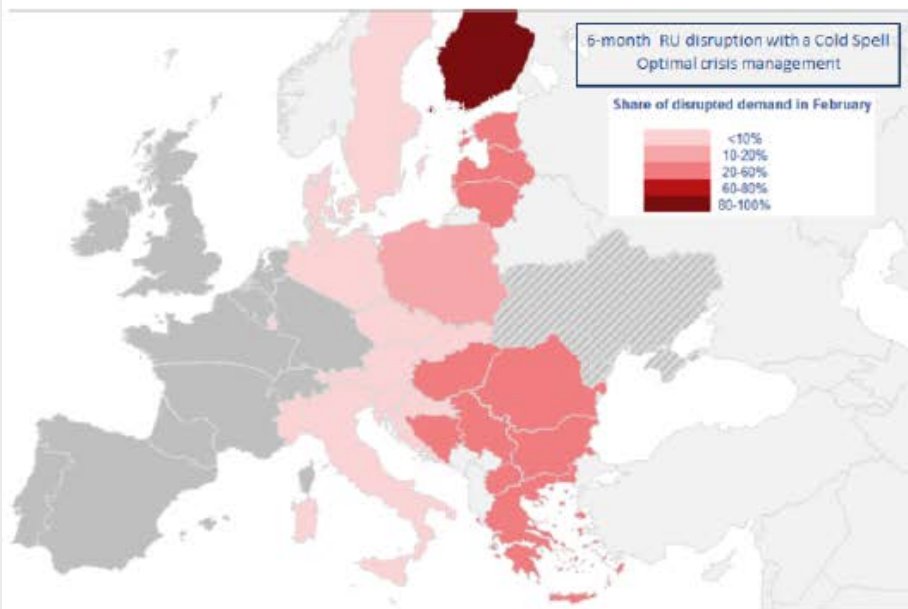
*Central and South-Eastern European Gas  
Connectivity*

13<sup>th</sup> Ministerial Council, Tirana, 16<sup>th</sup> October 2015

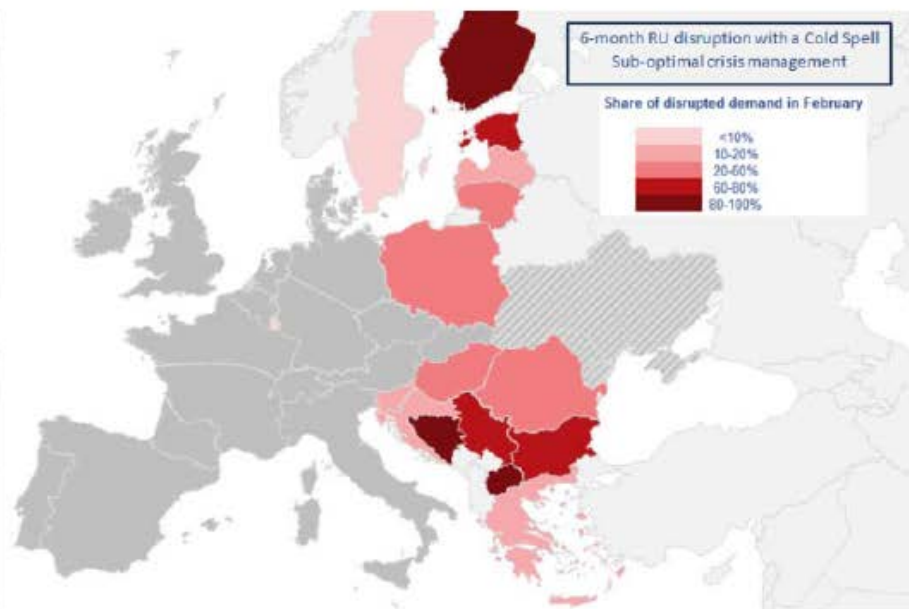
# CESEC – the origin

Stress test 2014 → high vulnerability of the region in case of Russian supply disruption

*Cooperative Scenario*



*Non-cooperative scenario*



Source: ENTSOG

# CESEC – de-bottlenecking the region



Source: DG ENER



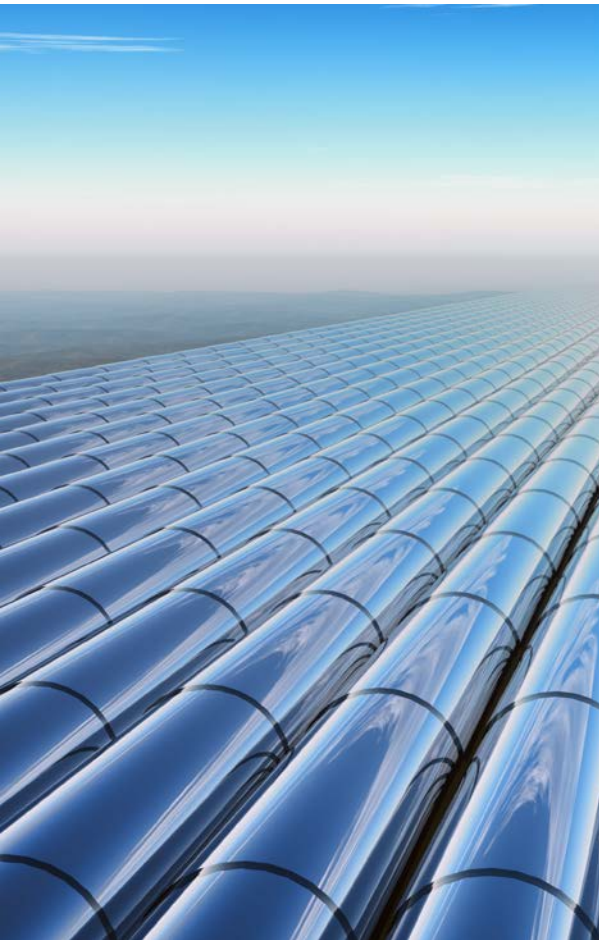
- **October 2014** – stress test
- **December 2014** – political declaration
- **February 2015** – terms of reference
- **July 2015** – MoU signed
  - EU | AL | AT | BG | FYROM | GR | HR | HU | IT | ROM | SI | SK | SRB | UA
- **Implementation Phase**
- **Spring 2016** – 3rd High-Level wrap-up

# CESEC – infrastructure for security of supply



## – 6 priority projects to increase SoS via strengthened interconnection

- TAP
- Interconnector GR-BG (IGB)
- Interconnector BG-SRB
- System reinforcement BG
- System reinforcement ROM
- LNG Terminal HR
- LNG evacuation system towards HU
- **To be financed by the market**
  - Role of IFIs such as the EIB or the EBRD may be considered



## From the CESEC MoU:

1. “**Effective regulatory framework** [...] including **regulatory incentives** is a prerequisite”
2. Commitment to „**promote market integration and well-functioning markets**” by:
  - a. “effectively and fully implementing all EU gas sector legislation”
  - b. “removing remaining legal, regulatory and commercial barriers to physical and commercial gas flows”
  - c. “particularly across borders, via efficient use of interconnections and effective gas network access”
3. „ACER, the European Commission or the **Energy Community should act as a facilitator** to any regulatory issue of a cross-border nature”



## ECS activities to monitor and facilitate CESEC:

- ✓ **List of measures** necessary for implementing market related CESEC preconditions developed & communicated to the CPs
- ☞ **Country missions** targeting discussions of national implementation steps with stakeholders envisaged
  - ☞ Ministries to coordinate
  - ☞ All relevant stakeholders to be involved
- ☞ **Continuous progress reporting**
  - ☞ as member of the CESEC meetings, in line with the MoU tasks
  - ☞ via published standard reporting
  - ☞ at EnC and EU Gas Fora

# CESEC – translating into practical progress

MoU criteria	National relevance
Removal of obstacles - cross cutting	TSO unbundling & certification
	Legal & functional DSO unbundling
	NRA independence
Ensuring transparent and non-discriminatory third- party access	Implement coordinated CAM and CMP allowing TPA in forward and reverse flow
	Tariff review – implement rules that do not distort trade across borders
	Implement market based balancing
Ensuring free flow of gas and provision of competitive framework	Remove legal or contractual barriers to competition (anticompetitive clauses in transit contracts and IGAs)
	Ensure barrier- free market entry
	Optimise actual capacity use in both directions, including backhaul
Supporting infrastructure development	Adopt interconnection agreements
	Implement Regulation (EU) 347/2013
	Ensure harmonised framework of operation of interconnected EU MS- EnC CP systems (implement Interoperability NC)

The background is a dark blue map of Europe, with city lights visible. Overlaid on the map are numerous glowing blue lines that represent energy transmission. These lines are curved and interconnected, forming a complex network across the continent.

*Thank you  
for your attention!*

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