

6th Joint Working Group on Gas Infrastructure Investment and Regulation Summary note

Meeting held on 3 April 2008 in Belgrade

1. The representative of the Ministry of Energy and Mining of the Republic of Serbia and the Chair welcomed the participants. The Chair thanked the Serbian Authorities for hosting the meeting.
2. The Group welcomed the information, provided by the Secretariat, about the priority projects in the Contracting Parties which have been adopted by the Ministerial Council in December 2007. The Secretariat also provided information about the conclusions (with respect to gas) of the Ministerial Council meeting in December 2007 and of the PHLG of March 2008. The Secretariat also presented the agenda of the Gas Forum to be held on 16 April 2008 in Maribor Slovenia.
3. The Secretariat informed on behalf of World Bank the participants about the extension of the Gasification Study, financed by the World Bank and carried out by Economic Consulting Associates, with regard to analysis of the storage facilities in SEE. The Secretariat also informed the participants that draft results will be presented at the 2nd Gas Forum. The Group welcomed the information and asked Worldbank/ECA – via the Secretariat - to proceed with the analysis and if provide further information at the 2nd Gas Forum.
4. On the basis of a report by ECRB, the Group had an exchange of views on the latest market development in the gas sector in SEE. Timely implementation of Regulation 1775/2005 (before 31 December 2008) was underlined as a priority. Further, in order to remedy the market barriers identified in the ECRB report, the necessity of a reinforced cooperation between Regulators and TSOs - build on the example of existing Gas Regional Initiatives - was highlighted.
5. ERGEG presented the key achievements towards regional markets in the South South East Europe (i.e. Austria, Czech Republic, Greece, Hungary, Italy, Poland, Slovakia, Slovenia), detecting benefits for SEE, i.e. the ongoing analysis of infrastructure projects in the region regarding utilization, market integration and consequences on flows on existing transmission pipelines and scenarios on pipelines projects. ECRB underlined the need for coherence and convergence between both regions and welcomed the activities of the SSE region. Further, ECRB stressed the need to ensure effective and transparent open access to transportation networks of EU Member States that are located upstream of the Energy Community Contracting Parties, in order to improve market liquidity and security of supply. It was further highlighted by the ECRB that the priority shall be an enhanced regulatory environment that facilitates cost effective tariffication and increased regulatory competences and the development of additional infrastructure including distribution grid. The Group also welcomed the ECRB proposal for holding a Distribution Conference to take place in the second semester 2008.
6. GTE informed about the preparation of the Ten Year Network Development Statement which will be produced by GTE+/ ENTSG biannually based on the task envisaged in the Third Package for ENTSG. In the following discussion it was noted that perhaps in the future, Energy Community Secretariat should consider developing a similar long-term statement which would match the statement developed on the European Union level.
7. The representatives of the Contracting Parties presented the investment programs and their possible compatibility with the Energy Community Gas Ring Concept. The Group thanked for the information and asked the Contracting Parties to further co-operate in the development of the concept, thus supporting catalytic impacts and the very substantial economic benefits of the Energy Community Ring for the Contracting Parties.

8. EFET presented traders' view on the Energy Community Ring Concept. The presentation stressed the advantages of the concept and also emphasized EFET's supports for further steps
9. The Group thanked to the DESFA-representative for the presentation of the Greek transmission system which could probably be a route for feed-in capacity in the Energy Community Ring.
10. The Group thanked MOL for the presentation/information on the NETS (NETS: New Europe Transmission System– Initiative for an Unbundled Regional Transmission System Operator). The Group asked for further update in the event of significant progress of the NETS concept in the future.
11. The next meeting of the Group will take place on 11 September 2008 in Belgrade, with the view to prepare the Autumn Gas Forum.