



43st IG Meeting. South Gas Regional Initiative

23th May 2017, from 11:00 h to 14:00 h

Teleconference

Minutes of Meeting

List of participants

Last name	First name	Organization	Email
Alonso	Agustín	CNMC	nuria.alonso@cnmc.es
Alonso	Alejandro	CNMC	alejandro.alonso@cnmc.es
Alonso	Nuria	CNMC	nuria.alonso@cnmc.es
Apolinario	Isabel	ERSE	iapolinario@erse.pt
Batista	Helena	REN	helena.batista@ren.pt
Cachão	Alexandre	REN	Alexandre.cachao@rengasodutos.pt
Camarillo	Javier	ENAGAS GTS	fjcamarillo@enagas.es
Costa	Raquel	REN	raquel.costa@ren.pt
De Vicente	M ^a Ángeles	ENAGAS	madevicente@enagas.es
Diniz	Valter	REN	valter.diniz@rengasodutos.pt
Domingues	António	ERSE	adomingues@erse.pt
Duffau	Fabien	TIGF	fabien.duffau@tiqf.fr
Esteves	Jorge	ERSE	jesteves@erse.pt
Galletta	Riccardo	ACER	Riccardo.GALLETTA@acer.europa.eu
García	Ana Belén	ENAGAS GTS	abgarcia@enagas.es
Izquierdo	Paloma	ENAGAS	pizquierdo@enagas.es
Mangin	Claude	GRTgaz	claude.mangin@grtgaz.com
Monedero	Teresa	CNMC	teresa.monedero@cnmc.es
Piñeiro	Laura	Reganosa	lpineiro@reganosa.com
Prieto	Rocío	CNMC	rocio.prieto@cnmc.es
Rottenberg	Jacques	Elengy	jacques.rottenberg@elengy.com
Teixeira	Eduardo	ERSE	eteixeira@erse.pt
Verdelho	Pedro	ERSE	PVerdelho@erse.pt
Yunta	Raúl	CNMC	raul.yunta@cnmc.es

All documents presented in this meeting are available on the ACER web page:
<http://www.acer.europa.eu/Events/43rd-IG-Meeting/default.aspx>



I. Opening

The chair welcomed all participants to the 43rd Implementation Group (IG) meeting.

The minutes of the 42th IG SGRI and the agenda of the 43th IG SGRI meeting were approved.

II.WP First target: Use of infrastructures in the Region

II.1. Use of interconnections from 1st October 2014 to 30th September 2016 (deadline: June 2017) (for information by NRAs and TSOs).

The Chair opened the meeting giving IG members feedback on the ACER-NRAs meeting held last 23rd March. The purpose of the meeting was to agree upon the focus of the reports on the targets 1 and 2, namely, “Use of infrastructures in the Region (Oct 2014- Sept 2016)” and “Balancing regimes in the Region”, in order to avoid overlapping and to align conclusions with ACER reports.

In this regard, ACER asked NRAs to review the quality of the data provided by ENTSOG on CAM, CMP and balancing, to share the methodology for calculating indicators and exchange early drafts and conclusions. With regard to the use of infrastructures, ACER suggested to analyze in depth those issues where ACER’s Implementation Monitoring Report (IMR) does not go deeply (capacity calculation, bundling arrangements and secondary markets). Regarding balancing, ACER asked CNMC/ERSE to provide data and to study the potential for the implementation of a cross border balancing mechanism. The conclusions of both reports, to the extent necessary, will be aligned with ACER findings.

Regarding the first draft of the report about the use of infrastructures, TSOs explained that they are still compiling/checking data so they cannot show any preliminary findings or conclusions today as per proposed timeline in the previous IG meeting. A new deadline for having a preliminary draft was agreed: 31st May. The final report will be ready by the end of June as scheduled.

Lastly, the Chair explained what NRAs are expecting from this report and presented a list of questions that the report should give response to. Among other issues, the report should shed light on how to maximize the capacity offered as far as possible and how to bundle capacity (differentiating between summer/winter capacities, possibility to turn interruptible capacity into firm in the short term, foster bundling arrangements, etc.). It was highlighted the importance of both maximizing the capacity offered and offering bundled capacity for market integration at both VIPs.

The deadline for this deliverable is the end of June 2017.

NRAs and ACER will work to avoid overlapping and to ensure that conclusions are in line with ACER findings.

TSOs will send to NRAs/ACER a first draft of the report on 31st of May.

III. WP Second target: Balancing regimes in the Region follow-up of the balancing regimes from 1st October 2016 to 30th September 2017 (December 2017) (for information by NRAs):



Regarding balancing report, it was reminded that the deadline for this deliverable had been postponed to February 2018 in the previous IG meeting. The Chair presented a comparison of the balancing actions undertaken by TSOs in Spain and France (GRTgaz). In this regard, it was remarked that there is missing information about balancing actions undertaken by the other two TSOs in the Region, namely, TIGF and REN. It was agreed to follow the balancing actions in the Region in next meetings taking into account information from the four balancing areas located in the Region, namely, two in France (two columns: one for GRTgaz and another for TIGF), Spain and Portugal.

ACER explained they are currently working on the draft of the IMR report on balancing and he took this opportunity to ask for clarification on some data from Spain and France. Regarding Spanish balancing system, information about balancing actions and associated costs are accessible but he has not been able to find information about shippers' imbalances and associated charges. ACER asked ENAGAS to provide them with the links to find the relevant information. With regard to French system, ACER asked for the reason why the buy/sell balancing actions have the same price in both French balancing areas. ACER will get back bilaterally to NRAs concerned to clarify or get missing information.

Regarding the deliverable on balancing regimes in the Region, NRAs and ACER will work to avoid overlapping and to ensure that conclusions are aligned with ACER findings.

IG will follow the actions in the Region taking into account information about the four balancing areas located in the Region (two in France (TIGF/GRTgaz), one in Spain (Enagas) and one in Portugal (REN)). To this end, TIGF and REN will also submit information on the balancing actions undertaken in their balancing areas.

ACER will contact bilaterally with NRAs to ask for clarification or missing information needed for the IMR on balancing (currently on drafting process)

IV. WP Third target. Market integration (for information by NRAs and TSOs):

IV.1. Iberia.

Regarding the implicit allocation mechanism, the Chair invited ERSE to explain ongoing developments and, in particular, the results of the public consultation launched in Portugal. ERSE informed that the public consultation on implicit allocation mechanism was closed on the 24th of March.

IV.2. France: gas prices and internal congestions.

It was presented the evolution of the price spreads among MIBGAS, TRS, PEGNord and TTF in the period 1st November 2016- 16th May 2017.

It was observed an important spike of prices in MIBGAS and TRS in the last days of December 2016 and throughout January which widened the spreads with the other EU markets (already analysed in the previous IG meeting). Since the beginning of February, prices in TRS and MIBGAS has dramatically fallen down and prices of the four EU markets have almost converged, but MIBGAS' prices remain permanently higher than the rest.

The Chair presented data on day ahead (d+1) prices and volumes negotiated in MIBGAS and a comparison with other EU markets.



ERSE and CNMC will keep informed the IG on MIBGAS developments and, in particular, with regard to the developments of the implicit allocation mechanism to be implemented at VIP Ibérico.

It is agreed to keep on following the evolution of prices and spreads and the proper functioning of the markets.

V. WP Fourth target. Infrastructures. (for information by TSOs)

TSOs briefly informed on the status of the South GRIP (it will be published in summer 2017), TYNDP2017 (it was published in April 2017 after public consultation) and PCIs (methodology for ranking PCI projects will be presented in the next cross regional meeting by the end of May 2017).

TSOs/NRAs will keep informed IG on the progress of the plans/projects for developing infrastructures.

VI. WP Fifth target. Pending issues

VI.1 . Implementation of OSBB mechanism (for information by TSOs)

The Chair invited TSOs to inform about the situation of the OSBB mechanism implementation. The implementation was done in April 2017 (manual mode and commercial filter) at VIP Iberico and it is envisaged by October 2017 (manual mode) at VIP Pirineos, and in fully automatic mode by April 2018 at both VIPs.

TSOs presented the last developments and the timelines for the full implementation of the OSBB at both VIPs.

Regarding VIP Ibérico, the OSBB mechanism is already implemented in manual mode with a filter. The filter implies that the OS is offered only if total booked capacity after monthly auction is higher than 95% (from now to October 2017)/ 90% (from October 2017 to April 2018) of nominal capacity. This filter will be removed in April 2018 once the OSBB mechanism is implemented in fully automatic mode. TSOs are currently working in a new version of the common OSBB methodology that will be submitted to NRAs before summer.

Regarding VIP Pirineos, the OSBB will be implemented in semiautomatic mode in October/November 2017 and fully automatic in April 2018. TSOs are currently working for the preliminary implementation. TSOs are also developing in a new version of the common OSBB methodology that will be submitted to NRAs before summer. Regarding the possibility to include a filter similar to the one used at VIP Iberico (percentage of booked capacity after monthly auction to trigger the OS) to be used in the period of preliminary implementation (October/November 2017 to April 2018), CRE was in favor to use the OSBB mechanism without



any filter whenever the conditions to apply the mechanism are met. The inclusion of a filter will be discussed among concerned NRAs.

TSOs will submit to NRAs the new version of the common OSBB methodology at VIP Iberico and VIP Pirineos before summer.

NRAs will discuss on the possibility to include a filter (threshold) to trigger the OSBB at VIP Pirineos during the preliminary implementation period similar to the one used at VIP Iberico.

TSOs will keep informed the IG members on the developments to implement the OSBB mechanism in a fully automatic and coordinated way.

VII. AOB

Several stakeholders have requested to have a SG meeting to be informed about the status of the regulatory developments in the Region. It was agreed to convene a SG meeting (physical meeting in Madrid) the next 5th July 2017.

VIII. Calendar for the next meeting.

Next SG meeting: 5th July 2017.

Next IG meeting: *tbd.*