

## North West – 22nd RCC

15 September 2011

EK offices, The Hague

### DRAFT MINUTES

Participants			
Menno	van Liere	NMa/EK (Chair)	
Gijsbert	Lybaart	NMa/EK	
Marie-Claire	Aoun	CRE	
Anna-Sophie	Fub	BnetzA	
Christian	Wolf	BnetzA	
Nicola	Meheran	Ofgem	
Neta	Meidav	Ofgem	
Bjorn	ter Bruggen	EI	
Geert	van Hauwermeiren	CREG	

## 1. Welcome and approval of the agenda and approval of minutes 19th RCC-meeting

On behalf of NMa, Menno van Liere welcomed all participants and explained that Robert Spencer unfortunately could not attend the meeting due to unforeseen circumstances. Following this announcement, the agenda for the meeting and the minutes of the previous RCC-meeting (May 2011) were approved. Ofgem asked to what extent the minutes of the RCC meetings are visible for non RCC members once uploaded on the GRI NW website. Programme Office indicated that it was not able whether the minutes are public and indicated that CEER and ACER (who are responsible for the GRI website) will be asked.

### Decisions agreed:

- The draft minutes of the 21<sup>st</sup> RCC-meeting and the draft agenda for this meeting were approved. Next to that, Programme Office will find out whether the minutes are public and report this to the RCC.

## 2. Information and updates

### 2.1 GRI NW Transparency project

Ofgem – as project leader – presented the achievements made within the Transparency project since the last RCC meeting (may 2011). In this matter, it was explained that the goal of the project (as agreed upon in the project plan) is to monitor compliance of TSOs against the requirements outlined under Article 18 and amended Chapter 3 of Annex 1 of Gas Regulation No 715/2009 and that the project should result in a compliance assessment report.

Since the last RCC meeting, a regional interpretation has been sought and found on the requirements regarding the Transparency requirements and a template has been sent to all TSOs to be used to assess their compliance to the requirements. Currently, most TSOs have now responded to the questionnaire and response rate is high. A review of the questionnaires has revealed that a number of TSOs have on a number of occasions indicated that they either do not comply to a specific requirement or that a specific requirement is not applicable to them (but without any further explanation). Ofgem therefore suggested to give each TSO the opportunity to give a further explanation, otherwise the answer must be assessed as not being compliant with the specific requirement. This would make the results more reliable, while the timetable for the project would not be affected.

CREG asked how many TSOs have sent in the questionnaire that contain no further explanation if answered no or not applicable and suggested that it would be sensible to ask for a further clarification. In the opinion of NMA, it will be in the interest of a TSO to give a further explanation, otherwise they will be non-compliant to a specific requirement and this is not in the interest. The RCC agreed with the suggested approach of Ofgem and decided that each NRA will contact their national TSO – if applicable – within the next week to offer them the opportunity to provide a further explanation.

With regard to the next steps, Ofgem suggested to start a public consultation on the results of the questionnaires. In this process, stakeholders would have 6 weeks to give their feedback to what extent they feel TSOs are compliant with the rules. In this matter, CREG wondered whether Ofgem suggests to publish all questionnaires and wondered – if this would be the case – whether this will lead to a situation of “over Transparency” (stakeholders might not read the information). Ofgem indicated that they intend to publish all questionnaires, but as an Annex to a cover note that has a number of consultation questions to get stakeholders’ opinion. BNetzA indicated that they understand the position of CREG on over transparency, but that they tend to be in favour of publishing all information. NMA suggested that it is important to ensure that the consultation should not only get stakeholders’ view on compliance, but also identify the bottlenecks, requirements that need to be further enhanced etc. by TSOs as to be really effective.

Ofgem presented several questions that could be put forward to stakeholders in the consultation. As a first impression, it seemed that the questions are the right ones, but NRAs would like to have a closer look to the questions after the meeting. As such, it was agreed that Ofgem will circulate the questions to the RCC next week and that NRAs will asap give their feedback. As a next step, the actual cover note (to be drafted by Ofgem) will be circulated for feedback before going live with the consultation. Ofgem suggested that it would be good to have a Telco between NRAs once the results of the consultation are known and to discuss the final steps towards the Stakeholder Group meeting.

CRE asked what the next steps will be once the information is known and the compliance report published. Ofgem explained that it could be argued that the TSOs have to “pick up the ball” once the results of the project are known.

Decisions agreed:

- Each NRA will contact their national TSO – if applicable – within the next week and offer them the opportunity to provide a further explanation to those questions where they indicated not to be compliant to a specific requirement (or indicated N/A);
- A public consultation will undertaken to understand stakeholders view that TSOs are compliant to the Transparency requirements;
- Ofgem will circulate the consultation questions to each NRA within the next week and draft a cover note for the consultation;
- Once the consultation is finalized, a Telco will be initiated to discuss the results and final steps towards the upcoming Stakeholder Group meeting.

**2.2 GRI NW Investment project**

CRE – as project leader – gave an update of the progress that has been made within the project since the last RCC meeting.

With regard to the Gas Regional Investment Plan (GRIP), CRE explained that the initial aim was to help ENTSOG/TSOs with the regional plan work in 2011 (definition of the scope and of the value added of these regional plans compared to national and EU TYNDPs and follow up of the Investment Project 2010 – discussion paper). Although IFIEC and EFET are supportive to the project, no actual work within GRI NW has been done on the GRIP. ENTSOG (whereby Fluxys is coordinating the work on the GRIP for the NW region) would like to have the opportunity to present the GRIP at the upcoming Stakeholder Group meeting.

CREG asked to what extent the TSOs will “copy paste” the relevant aspects of the Ten Year Network Development Plan (TYNDP) into the GRIP, whereas EI asked why no actual modelling exercise has taken place in the drafting of the GRIP. As far as CRE can see, TSOs have started work late on the GRIP and have gotten into a time squeeze. As such, the easy way was chosen to ensure the deadline for drafting the GRIP.

CRE explained that it was decided during the last RCC meeting to send a letter to ENTSOG with minimum requirements for the GRIP of the NW region. In this matter, several requirements have been proposed by CRE (e.g. provide a detailed description and analysis of infrastructures at IP, Share the analysis of cross-border investment needs with the stakeholders through regular regional dialogue) and presented to the RCC. It was proposed (and agreed upon) to send this letter by the end of September, as these requirements will be shared with ENTSOG before the workshop on the GRIP that will take place at the end of September.

NMa asked to what extent the NRAs have a formal role in assessing the GRIP. If this is not the case (and this is a fact), NMa suggested that it should be explained to TSOs that the RCC finds the GRIP important and therefore has drafted several thoughts (instead of talking about minimum requirements) on how the GRIP could be drafted. It should be avoided that TSOs feel that NRAs are creating new rules, but emphasized that we strongly favour a more stronger dialogue on the regional level with TSOs on this regional plan.

CREG indicated that Security of Supply is an important topic for Member States and that this could be part of the GRIP in the future. As such – given the fact that Security of Supply is a regional issue – it would put the GRIP on the regional agenda.

With regard to the progress on the monitoring open season between France and Luxembourg, CRE explained the progress made so far. The outcome of the project should be a short paper in order to share the lessons learned from this process that will feed the discussions on the European level. In this matter, Programme Office explained that the Programme Board of GRI NW has suggested to also take lessons learned from previous open seasons (including the open season of Gasunie) into account when drafting recommendations. CRE indicated that it should be avoided that duplication of work is done (also in terms of resources). It was agreed upon that CRE will analyse whether it is possible to easily get input from TSOs that have been involved in previous open seasons and to feed this into the lessons learned paper.

Decisions agreed:

- CRE will draft the letter with RCC ideas on the GRIP, circulate it to the RCC and send the letter in time before the ENTSOG workshop on the GRIP. However, after discussion within the IG meeting in the afternoon, it was agreed that the RCC will assess the GRIP once it is published and send afterwards the letter with ideas and suggestions for improvements (Cf. minutes IG meeting – 15 September 2011);
- CRE will analyse whether it is possible to easily get input from TSOs that have been involved in previous open seasons and to feed this into the lessons learned paper.

### **3. Work Plan of GRI NW**

#### **3.1 European Energy Work Plan 2012 - 2014**

Programme Office explained that the European Commission has requested each region to elaborate a European Energy Work Plan for the upcoming years that explains how each region will contribute to the achievement of the internal market in 2014. The current draft of the work plan identifies three priorities for GRI NW (implementation work, pilot projects and pre-comitology meetings) and the feedback of ENTSOG, EFET and IFIEC on this work plan are incorporated in this draft. As such, the current work plan is based on what stakeholders see as added value and willing to commit to.

NMa (as lead regulator) has recently discussed the work plan with the European Commission and their initial reaction is that GRI NW seems to follow the law: implementation of the network codes will start once it has passed comitology. The European Commission would like to see the regions speed up the process and start doing early implementation (start implementing those aspects that will be expected to be stable throughout the comitology process). Next to that, there should be focus on Infrastructure. In this matter, ACER is of the opinion that each region should discuss and promote new cross border infrastructure, focus on early implementation and work on a cross-regional booking platform for CAM.

With regard to the question whether the work plan could focus more on early implementation, Ofgem suggested a “mapping exercise” could be performed as to understand what topics of a network code should be implemented first.

Programme Office explained that the work plan will also be presented during the IG meeting and that the opinion of TSOs on early implementation should be sought. In this matter, NMa feels that early implementation could be pursued, but only if stakeholders commit to this work. BnetzA indicated to be hesitant to early implementation if there is no commitment from relevant stakeholders (especially TSOs).

As a next step (based on the feedback of the IG meeting) NMa will finalize the work plan and send it to the European Commission and present its content during the upcoming Madrid Forum (26 September 2011).

Decisions agreed:

- The opinion of TSOs towards the pursuit of early implementation and possible pilot projects will be sought during the IG meeting;
- As a next step, Programme Office will finalize the work plan, send it to the European Commission (by 19 September) and present it during the upcoming Madrid Forum (26 September 2011).

**3.2 Proposal for work plan 2012**

Programme Office explained that at this point in time no first draft of the 2012 work plan has been elaborated. The European Energy Work Plan in essence dictates the work of the region in the upcoming years (including 2012) and the work plan can only be made more concrete after the Stakeholder Group meeting.

Decisions agreed:

- N/A.

**4. (Development) of the network codes**

**4.1 Dialogue on way forward to implement network codes on a regional level**

Due to time constraints, it was decided to have an open dialogue during the IG meeting on the proposed process and to adjust the process based on feedback.

Decisions agreed:

- N/A.

## 5. Upcoming Stakeholder Group meeting

Programme Office presented the draft agenda of the upcoming Stakeholder Group meeting in Rotterdam (24 and 25 November 2011). Currently, the agenda consists of three parts: 1) focus on role of GRI NW, 2) update on current projects and 3) role of GRI NW in capacity allocation.

With regard to part 1, both Alberto Pototschnig and Inge Bernaerts have confirmed to address stakeholders during the Stakeholder Group meeting and explain what is expected of the regional initiatives. Also, Peter Plug will address stakeholders and explain the work of GRI NW within the upcoming years. With regard to part 2 of the agenda, Programme Office suggested that the SG should be used more as a platform to share lessons learned. This means that not only GRI NW projects should be presented, but also bilateral projects that currently take place that do not carry the GRI NW flag. The RCC recognized this fact and it was therefore agreed upon that TSOs would be asked to suggest several projects that would be relevant for stakeholders to be presented at the Stakeholder Group meeting.

With regard to part 3 of the agenda, Programme Office sought the opinion of the RCC whether market coupling and regional booking platform should be addressed. NRAs see the added value of presenting lessons learned with regard to the creation of a (regional) booking platform, but question whether market coupling should be on the agenda. Although market coupling does not seem to be a “hot potato” in Sweden, BnetzA made clear that it is not yet quite clear what people understand under the term market coupling and question whether it is too early to have such a debate. Also, if market coupling would be on the agenda, stakeholders should not get the impression that market coupling would automatically become a topic on the 2012 work plan. EI suggested that perhaps another term is chosen, as market coupling seems to give a term that is directly linked to the Electricity sector. Ofgem indicated that stakeholders in the UK feel that market coupling should be out of the Gas Target Model and that it is forced upon them by NRAs. As such, it was questioned whether market coupling should be on the agenda.

CREG suggested that auctions (coming forth from the network code CAM) could also be explored, as it is expected that this will be something that needs to be fine tuned. In more general, Ofgem asked Programme Office what other stakeholders think of the agenda and suggested that EFET could be asked to give their opinion before finalizing the agenda.

### Decisions agreed:

- TSOs will be asked for their opinion to what extent market coupling should be on the agenda at the upcoming Stakeholder Group meeting,
- As a next step, NMA will finalize the agenda.

## 6. Next meeting

The next meeting of the RCC will be held on 13 December 2011 in The Hague.

### Decisions agreed:

- N/A.