



The role of ACER and NRAs in the future supply security landscape

Alberto Pototschnig

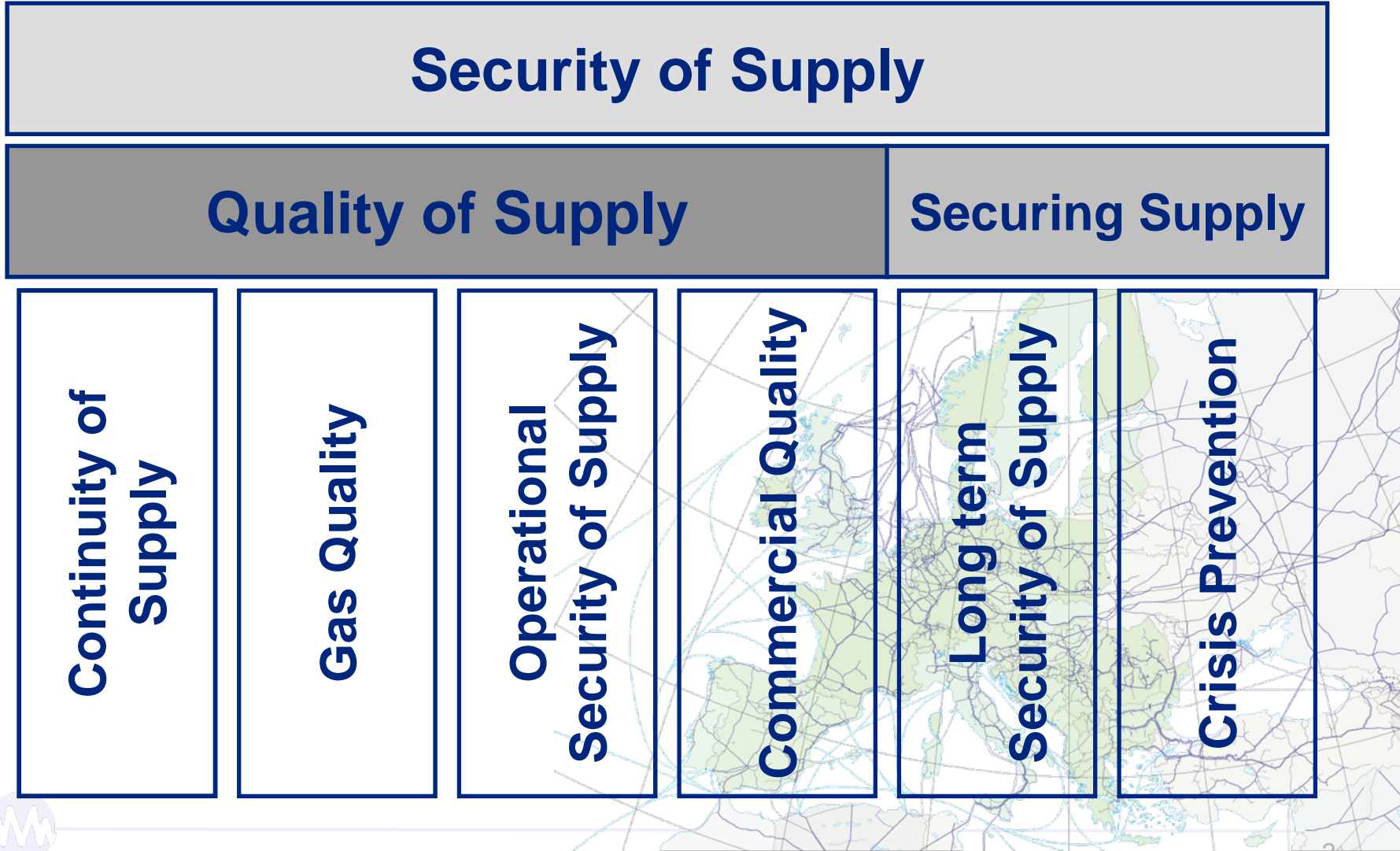
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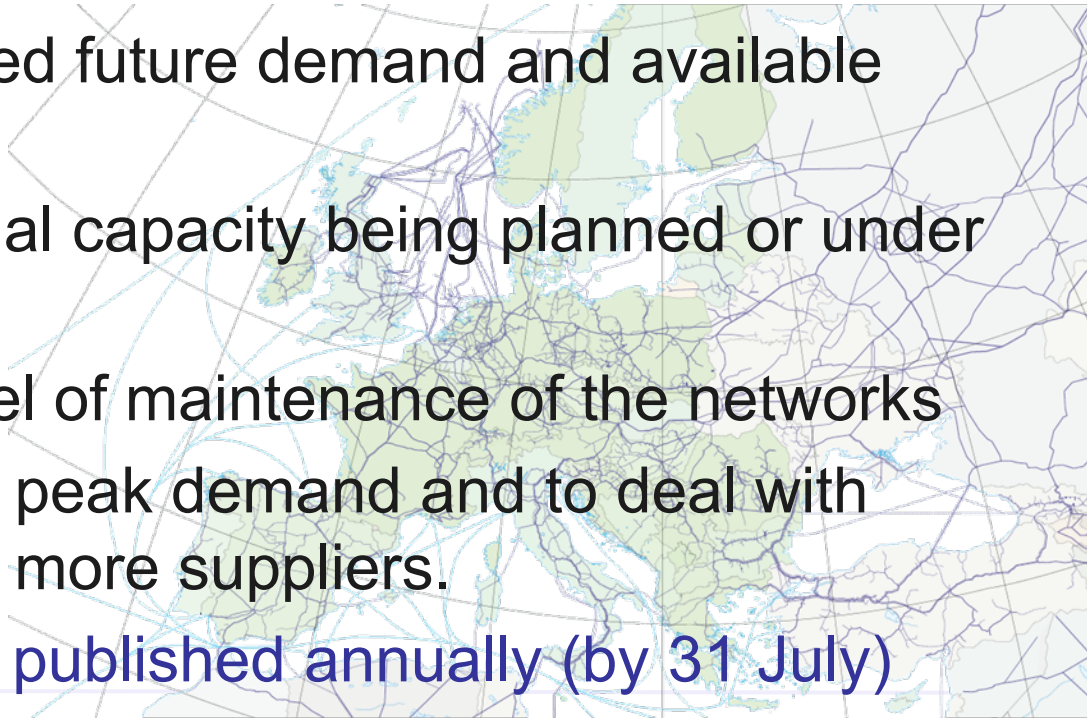
GIE Annual Conference
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Pillars of security of gas supply



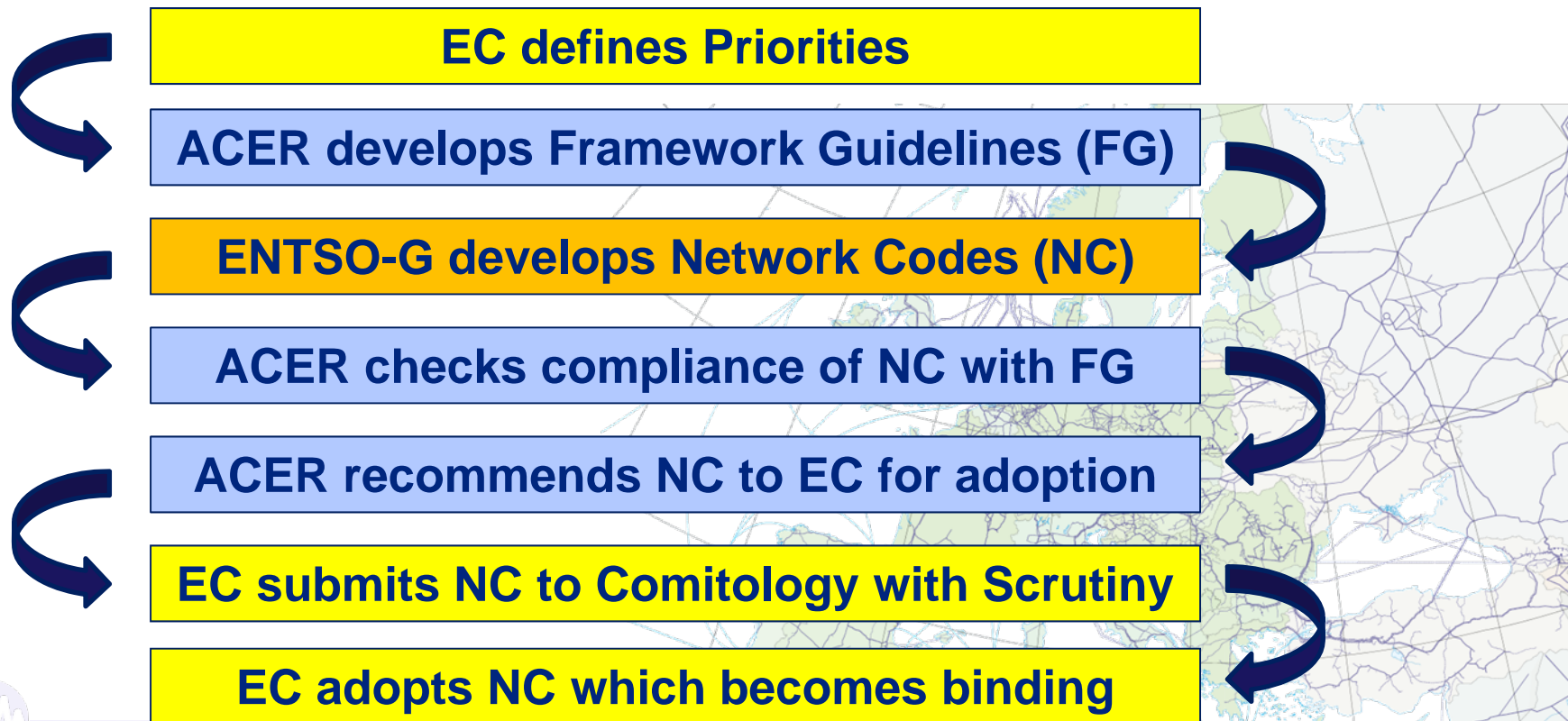
Security of Supply – Monitoring by Member States or NRAs

- Member States shall ensure the monitoring of security of supply issues. or delegate that task to NRAs
- Monitoring shall cover:
 - the balance of supply and demand on the national market
 - the level of expected future demand and available supplies
 - envisaged additional capacity being planned or under construction
 - the quality and level of maintenance of the networks
 - measures to cover peak demand and to deal with shortfalls of one or more suppliers.
- A monitoring report is published annually (by 31 July)



Continuity of Supply and Operational Security of Supply – Network Codes

- Network security and reliability rules is one of the areas which will be covered by the EU-wide Network Codes envisaged by the 3rd Package



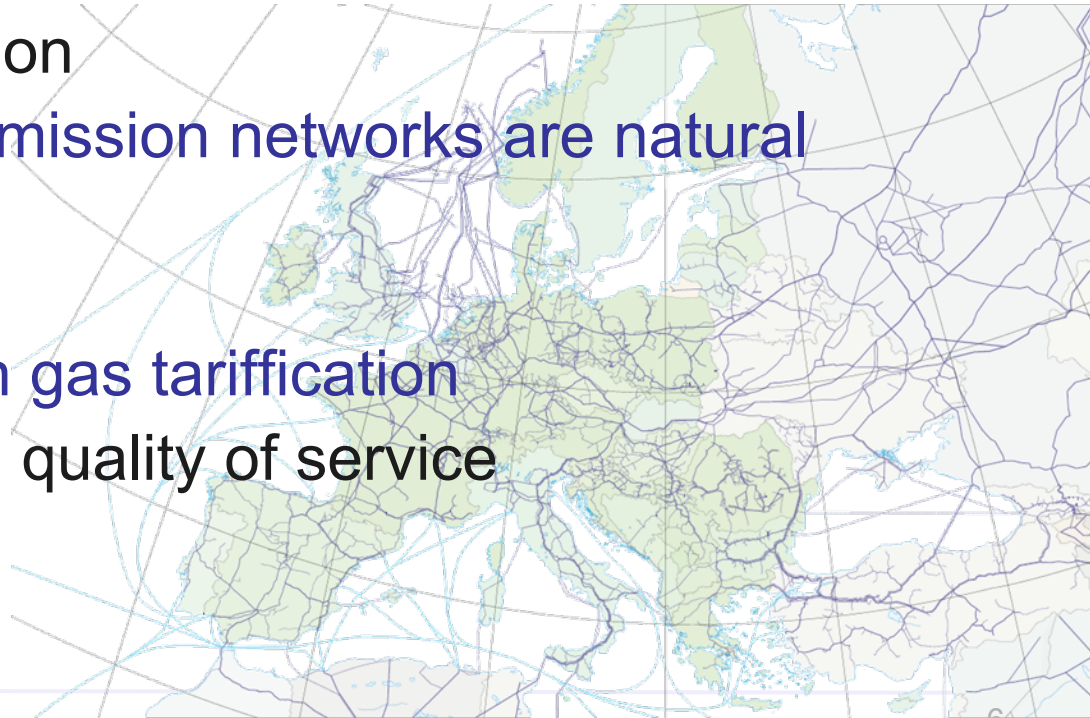
Continuity of Supply and Operational Security of Supply – Cross Border Infrastructure

- “The Agency shall decide on [..] operational security of electricity and gas infrastructure connecting or that might connect at least two Member States” (art 7, Reg. (EC) 713/2009) if:
 - The concerned NRAs fail to reach an agreement
 - Jointly requested by the concerned NRAs



Quality of supply – Integral part of network regulation

- DSOs and TSOs are responsible for the safe operation and maintenance of their network
 - impact on operational security of supply
- Service delivery of DSOs and TSOs towards customers
 - customer satisfaction
- Distribution and transmission networks are natural monopolies
 - regulated sector
- Incentive regulation in gas tariffication
 - possible impact on quality of service



Quality of supply – Instruments applied by NRAs

- Setting of minimum quality standards
 - guaranteed standards
 - overall standards
 - compensation payments
- Reward and penalty schemes
 - integrated cost and quality regulation
 - financial incentives to deliver desirable level of quality
- (Individual) premium quality contracts between a DSO/supplier and its customers



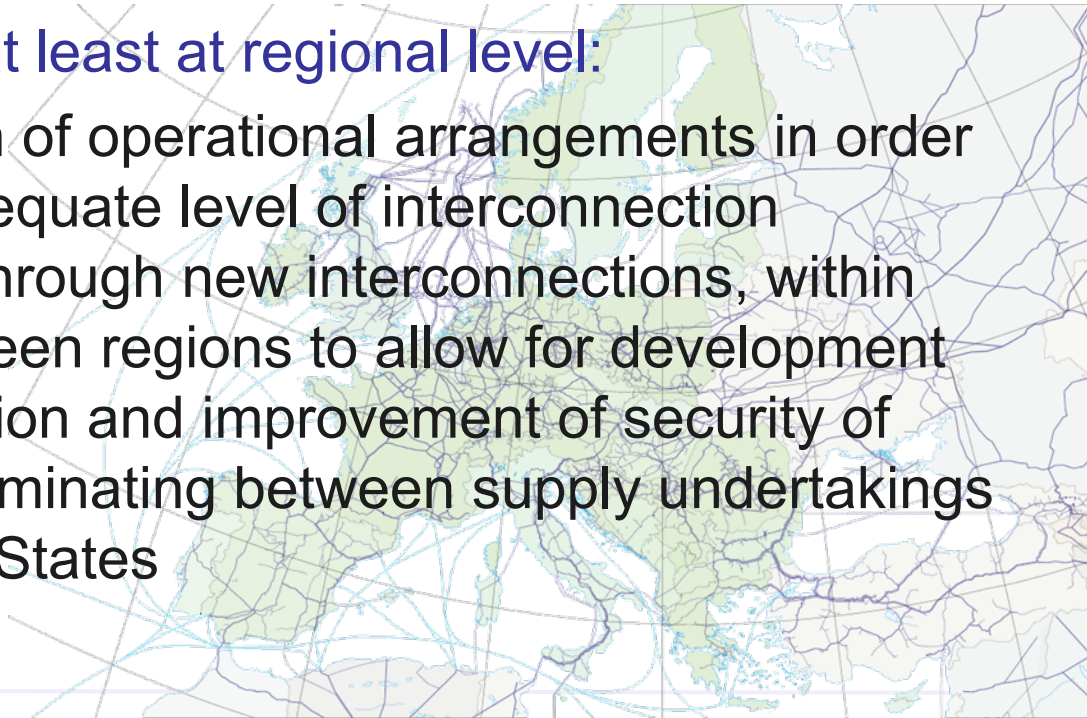
Long-term security of supply – ACER to review the 10 YNDP

- ACER shall provide a duly reasoned opinion as well as recommendations on the Community-wide 10-year network development plan (10YNDP) prepared by ENTSO-G
- ACER shall review the national ten-year network development plans and provide an opinion as to their consistency with the 10YNDP
- The 10 YNDP shall include:
 - the modeling of the integrated network
 - scenario development
 - a European supply adequacy outlook
 - an assessment of the resilience of the system
- In December 2009 ENTSO-G published its first European 10 YNDP



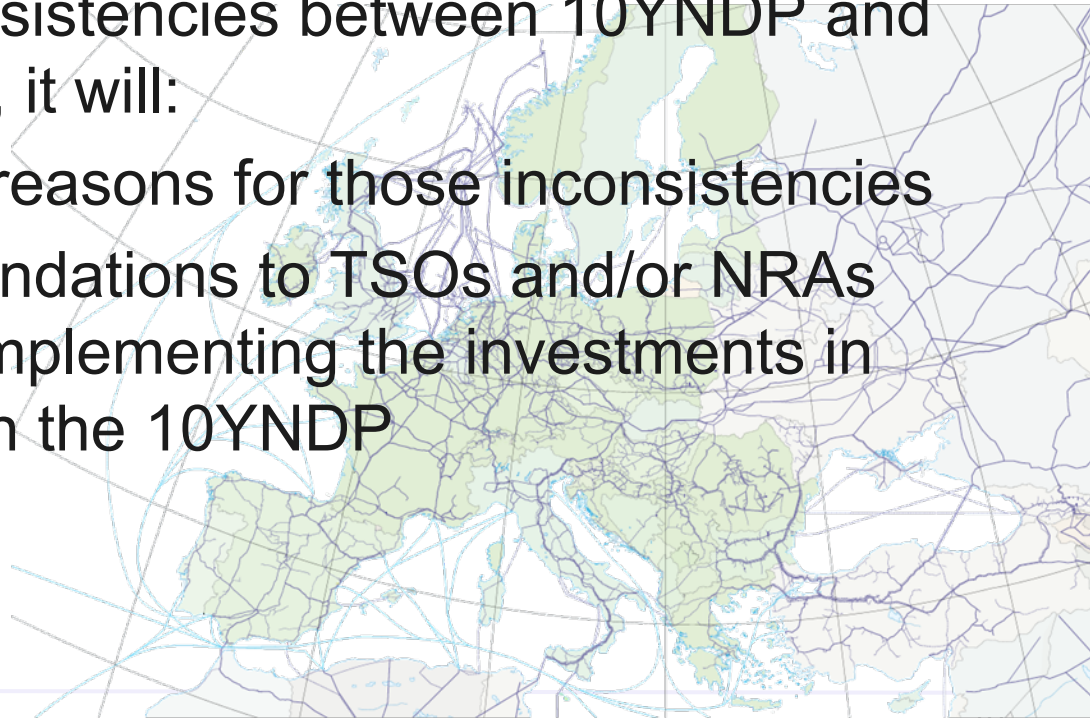
Long-term security of supply – NRAs to approve the multi-annual NDP presented by SOs

- NRAs shall:
 - monitor investment plans of TSOs
 - providing in its annual report an assessment of the investment plans of the TSOs as regards their consistency with the 10YNDP
- NRAs shall cooperate at least at regional level:
 - to foster the creation of operational arrangements in order to [...] enable an adequate level of interconnection capacity, including through new interconnections, within the region and between regions to allow for development of effective competition and improvement of security of supply without discriminating between supply undertakings in different Member States



Long-term security of supply – ACER to monitor network expansion

- ACER will monitor:
 - progress as regards the implementation of projects to create new interconnector capacity
 - the implementation of the 10YNDP.
 - If it identifies inconsistencies between 10YNDP and its implementation, it will:
 - ◆ investigate the reasons for those inconsistencies
 - ◆ make recommendations to TSOs and/or NRAs with a view to implementing the investments in accordance with the 10YNDP

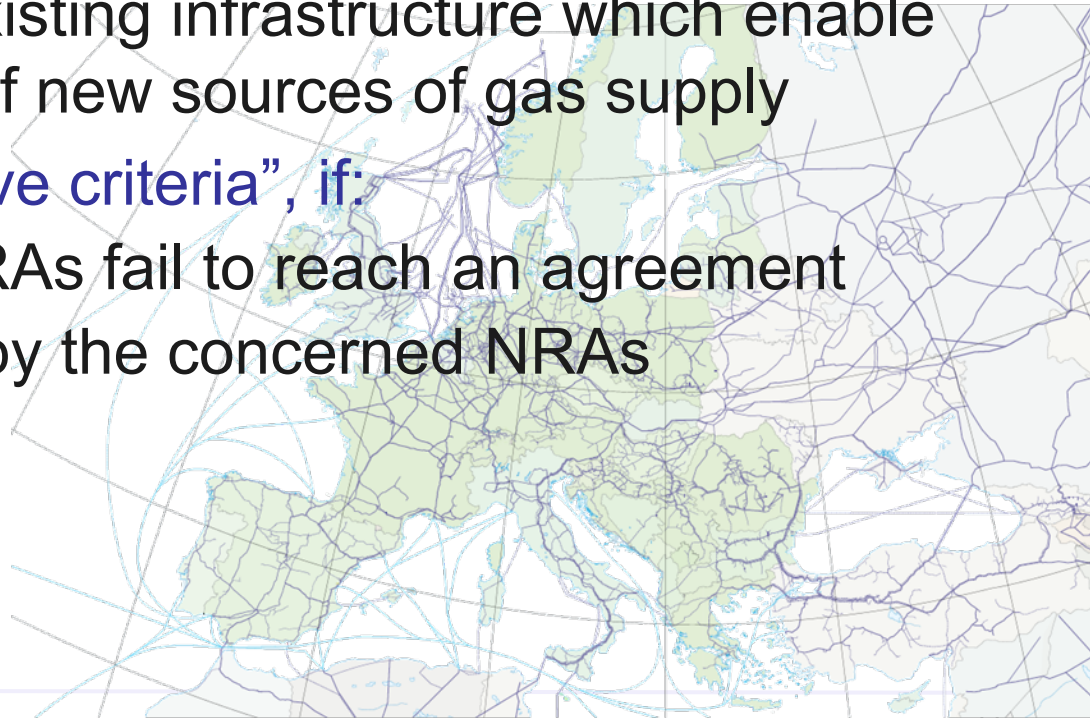


Long-term security of supply – ACER to decide on TPA exemptions

- ACER will decide on TPA exemptions for cross-border:
 - new infrastructure
 - significant increases of capacity in existing infrastructure
 - modifications of existing infrastructure which enable the development of new sources of gas supply

on the basis of the “five criteria”, if:

- The concerned NRAs fail to reach an agreement
- Jointly requested by the concerned NRAs



Crisis prevention –

ACER to be part of the Gas Coordination Group (GCG)

- The January 2009 gas crisis showed that well-functioning gas markets play an important role to mitigate the effects of a major supply disruption
- The proposal for a Regulation concerning measures to safeguard security of gas supply (“SOS Regulation”) acknowledges this principle and foresees a strong role for ACER regarding:
 - the establishment of the Preventive Action Plans
 - the establishment of Emergency Plans
- According to the proposed “SOS Regulation” ACER shall be a member of the Gas Coordination Group which is the main body to be consulted by the Commission to
 - facilitate the coordination of security of supply measures in the case of a Union emergency
 - monitor the adequacy and appropriateness of emergency measures to be taken



End of
Presentation
Thank You
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