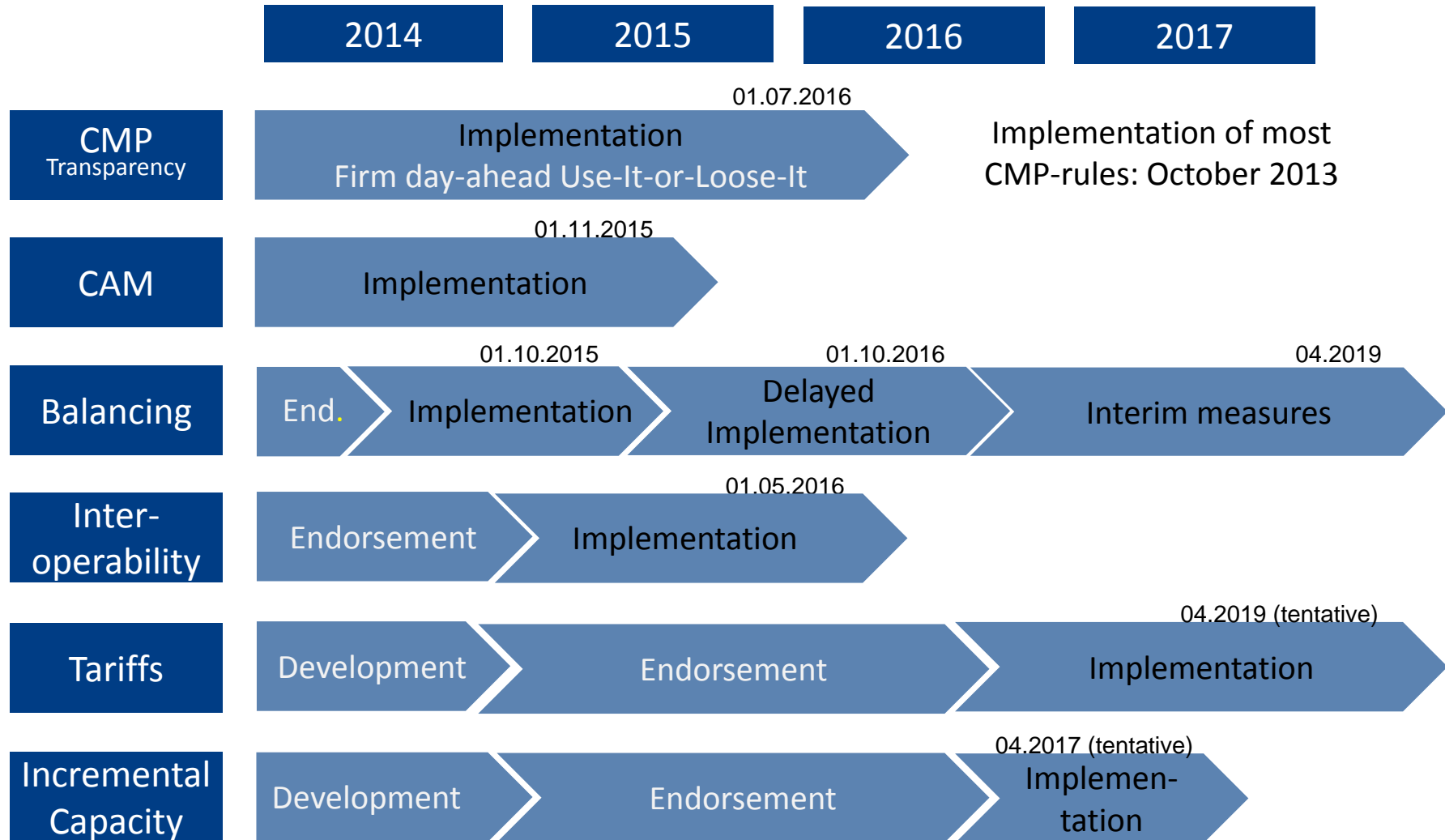


**All Network Codes are in place!**  
**Monitoring market functioning and investments**  
**– New roles for ACER and ENTSOG?**  
**GIE Annual Conference – Sofia, June 2016**

**Stephan Kamphues**  
**ENTSOG President**



# NC development: done (nearly)





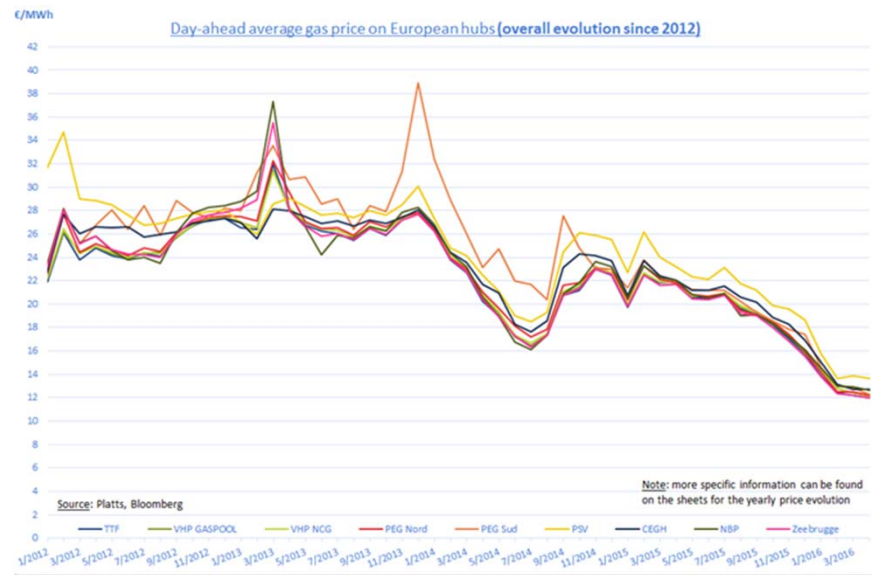
# Visible impact on the internal market



## Rules and tools

- Improved transparency
- Booking platforms
- Decreased congestion (contractual /physical)
- Standard products (short term & bundled capacity)
- Liquid gas hubs
- Hub price convergence
- European TYNDP/ Outlooks / Stress Tests
- Joint view on needed infrastructure projects

## Measurable impact





# Market integration



## Hub price convergence indicates functioning markets

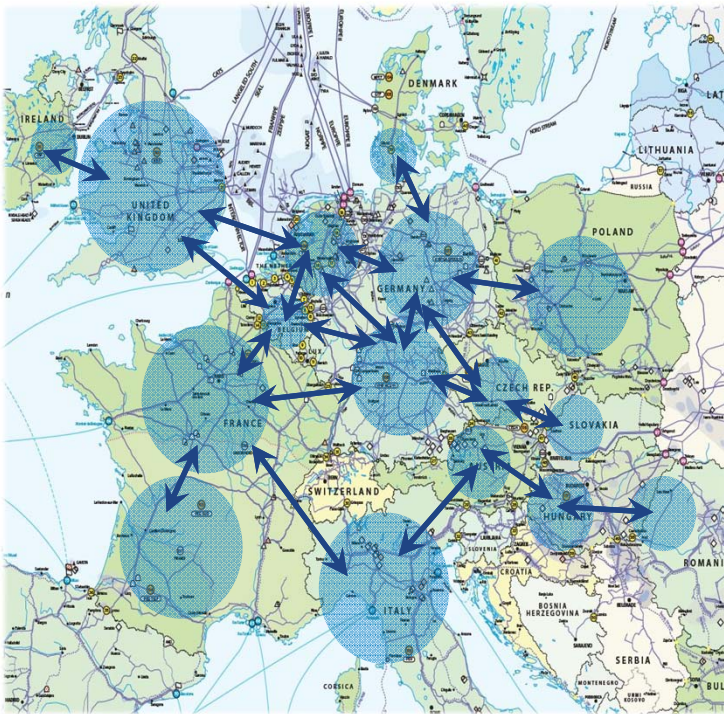
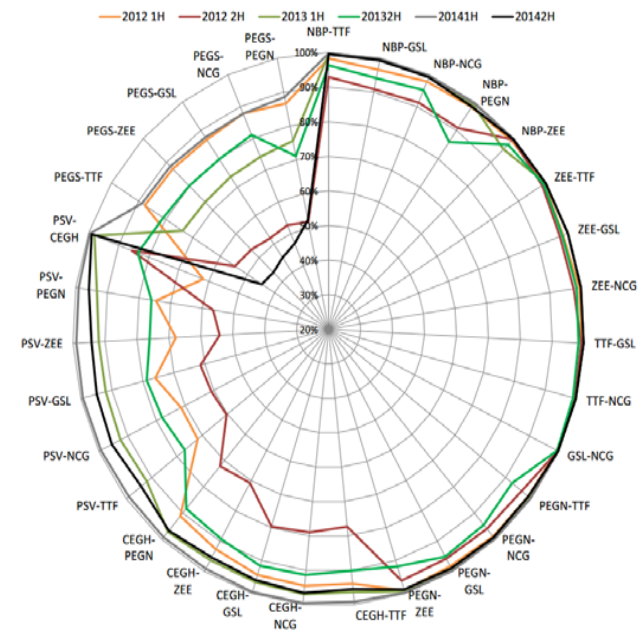


Figure 8: Cross correlations between OTC day ahead daily prices (Pearson coefficients %)



Note: Only correlation coefficients significant at the 5% level or better are displayed.  
Source: Tankard Parties, author's analysis

Source: Oxford Institute of Energy Studies Paper NG 101 [“The cost of price de-linkages between European gas hubs”](#) by Beatrice Petrovich





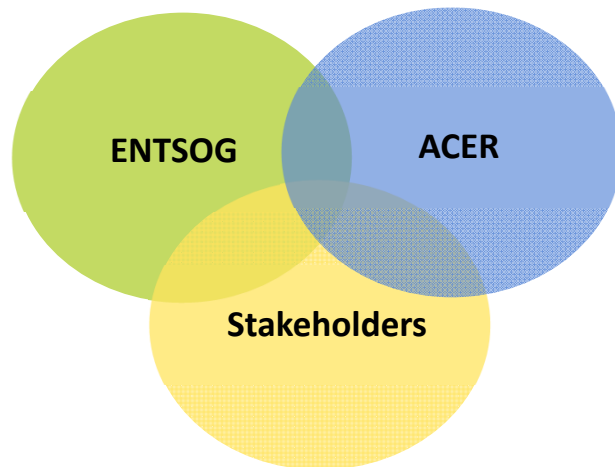
# Is there a life after the NCs?



After the NCs have been developed there are currently two common tasks for ACER and ENTSOG

## 1. Monitoring by ACER & ENTSOG

From implementation monitoring to effect monitoring



## 2. Functionality

To check and ensure that the NCs are working properly

Stakeholder involvement in the process:

- Option for stakeholders to provide input
- Access to reported issues incl. status
- Involvement in solution development (stakeholder consultations, workshops, Prime Movers)
- **Joint Functionality Platform:**  
[www.gasncfunc.eu](http://www.gasncfunc.eu)

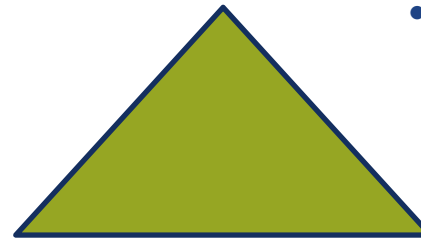


# Strategic cornerstones



In developing ENTSGs role the strategic directions on the cornerstones are being revisited

## SECURE



- Gas SoS Target Model?
- Definition of roles
- Cross-border rules and options
- Pragmatic actions  
(RCSG, gas quality, flow modelling etc.)

## SUSTAINABLE

- Internal market, access for greener gas (H, biogas, etc.)
- Cross-sector roles (support/complement RES, flexible low-carbon power production)
- ENTSO-E - co-operation & interdependence
- GIE / Gas Naturally – coordination & alignment

## AFFORDABLE

- Target model for gas infrastructure?
- Relation to of ACER Gas Target Model?
- Degree of /ways for market integration?
- Pragmatic actions/proposals

## ENTSOGs strategic directions

- *From re-active NC design to pro-active solution provision*
- *Strengthening and further developing ENTSOG's role as "trusted advisor"*
- *Bridging EU institutions, stakeholders and gas business - building on the knowledge/insights of seconded gas experts*
- *Thinking and facilitating cross sector co-operation - e.g. stability of electricity networks*
- *Supporting contributions to climate target achievement*

# New roles for ENTSOG and ACER!?

## ■ **ENTSOG to**

- Bridge TYNDP and SoS modelling (union wide risk assessment and RCSG)
- Facilitate the functionality of network codes
- Conduct a full value chain study on gas quality (+NC amendment)
- Further cooperate with ENTSOE

## ■ **ACER**

- Strengthen NRA cooperation across borders
  - in particular on market integration and investment decisions
- Support NRA implementation
- ACER request: “More regulatory oversight” of ENTSOs:  
But what is the problem to be solved with more ACER budget, resources and competencies – or is it just a matter of control?





# Thank You for Your Attention

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