

GLE comments to the CEER Public Consultation on European Energy Regulators' 2011 Work Programme

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GLE welcomes the possibility offered by CEER to comment on the 2011 Work Programme of the European Energy Regulators. GLE's comments are presented here below.

C-13 gas: CEER Guidelines of Good Practice on Open Season Procedures (GGPOS) – revision

The revised GGPOS will be based on the 2010 monitoring and will address the lack of coordination, the need to increase transparency in several steps of the procedures, the economic test, the tariff structure and the capacity allocation process.

GLE recalls that “LNG terminals projects may be subject to greater technical constraints than transmission projects, and these constraints should be taken into account when designing the open season”, as it is already recognized by ERGEG in the existing GGPOS (see article 2 (11), footnote #2 of GGPOS ref:C06-GWG-29-05c dated 21 May 2007).

Therefore GLE would like to underline that a revision of the GGPOS should continue to take into account the specificities of the LNG terminal projects, and even be clearer on that matter, in particular on the basis of the practical cases experiences.

C-18 gas: CEER Status Review of CMP and anti-hoarding mechanisms applied in the European LNG terminals

Different congestion management procedure (CMP) mechanisms are being applied in European LNG terminals. At the 15th Madrid Forum, the European Commission called for an analysis of the need for harmonisation of anti-hoarding rules. The Status Review will put forward a comprehensive overview of the CMP mechanisms in place, taking into account the constraints which influence the LNG business, in order to derive conclusions and recommendations.

GLE accepts that harmonisation of cross border rules is generally desirable; but priorities must initially reflect the need for LSO's to implement the new European legislation that comes into force in March 2011.

Indeed, GLE considers that harmonisation of rules across European LNG terminals will be the least straightforward (of pipelines, storage and LNG) and should not be rushed given the much higher degree of complexity in LNG operations, the differences in LNG terminal characteristics, in downstream infrastructures and in downstream gas markets, not forgetting the international aspects that must also be considered. Whilst the evidence supporting early harmonising change in cross border pipelines has been clearly demonstrated, the evidence supporting harmonisation of LNG terminal access (beyond high level principles) is not clear to GLE – this is because there is limited or no experience of LNG terminal operations in all but a few Member States and because

downstream pipeline rules, terminal characteristics and gas markets are different. More operating experience is needed in more Member States.

C-19 gas: CEER Advice on LNG terminals' transparency template

The transparency requirements concerning LNG terminals in Regulation 715/2009 (Article 19) are very general. CEER will provide LSOs with guidance on the harmonised publication of information as required by law and possibly above and beyond this.

GLE thinks that the implementation of the requirements that will enter into force under the 3rd Package should be firstly monitored in order to determine whether there is a real need for further improvement, before proposing additional provisions. It is up to the Commission and the Parliament to determine whether this is the case and if so, to adopt any necessary measures. CEER is an advisory body of the Commission. Policy-making role is reserved for Member States and bodies of the EU.

Moreover, GLE notes that a public consultation on “Existing transparency requirements for natural gas” has been launched by ERGEG on the 1st October 2010 (ref: E10-GWG-68-03, 8 September 2010) and would welcome confirmation as to how this consultation interacts with the proposed task.