

ERREG public consultation on gas transparency monitoring

1 Introduction

ERREG has published two reports on its transparency monitoring activities in the gas sector, namely:

- Compliance with Transparency Requirements of Gas Regulation 1775/2005/EC - An ERREG Monitoring Report (E07-TRA-02-03), and
- Additional Transparency Requirements – An ERREG Monitoring Report (E07-TRA-02-03b)

The following conclusions have been derived from the monitoring reports:

- Findings from the monitoring exercise carried out as part of this report show a heterogeneous degree of implementation of Regulation 1775/2005/EC. Such implementation varies both in terms of the geographic implementation (by TSO and country) and by topic area (as identified in the individual question sets 1 to 10 in this report). Most strikingly, the key finding is that the EC is far away from a 100 per cent implementation of Regulation 1775/2005/EC.
- The analysis presented in the reports, therefore, suggests that more work is required in four key areas:
 - Firstly, the 'correct', comprehensive and complete implementation of Regulation 1775/2005/EC needs to be ensured. This includes an update of information that is still missing, in particular those items of information where NRAs reported either 'not know', 'not applicable' or simply an empty cell. The overall aim has to have 100 per cent compliance with all areas covered by the Regulation 1775/2005/EC.
 - Secondly, where required, additional transparency requirements need to be defined and adopted to allow fair and non-discriminatory access to all types of natural gas infrastructure, not just transmission systems. This includes:
 - LNG facilities;
 - Storage facilities; and
 - Interconnectors.
- The requirements for transparency in the future would result to:
 - the proposal of changes to annexed guidelines to Regulation 1775/2005/EC;

- the proposal of changes to the Regulation 1775/2005/EC; and
 - changes going beyond the current provisions of Regulation 1775/2005/EC.
- On the basis of the results from this monitoring exercise, ERGEG recommends that Regulation 1775/2005/EC should be modified in line with the comments made above. This includes the abolition on the “three minus rule”, as outlined in ERGEG’s transparency recommendations.
 - Thirdly, monitoring potential additional transparency requirements (i.e. those aspects that are not covered at present by the Regulation 1775/2005/EC, but included in the explanatory notes by the EC). However, items included in such an exercise need to be clearly identified and ring-fenced in order to ensure that no burden is unduly placed neither on NRAs nor TSO in terms of their responsibility for completing the questionnaire and providing the information. This exercise could include an impact assessment asking why such monitoring is required and how the findings will be used by the EC.
 - Fourthly and finally, the findings from this monitoring report lead to the question whether national regulatory authorities have effective powers and sanction mechanisms in place to ensure the compliance and implementation of all regulatory requirements, not just transparency requirements. It is suggested that this issue needs to be addressed and could be part of a further monitoring exercise carried out by ERGEG.

ERGEG has already provided its comments on potential aspects in these three areas in a separate paper (ERGEG’s transparency recommendations) and submitted these recommendations as input to the so-called 3rd package to the EC: ERGEG’s Recommendations for an amendment of the provisions made in Regulation 1775/2005/EC regarding transparency provisions (appendix 3 of paper 6 of the 3rd package: “Transparency requirement for electricity and gas - a coordinated approach, ref. C07-SER-13-06-6-PD, 5 June 2007).

Both monitoring reports have been published on the ERGEG web page and on the Commission’s web page as well. The documents can be accessed via:

http://www.ergereg.org/portal/page/portal/ERGEG_HOME/ERGEG_DOCS/ERGEG_DOCUMENTS_NEW/GAS_FOCUS_GROUP/

2 Invitation to comment

ERGEG would now like to invite stakeholders to comment. Suggestions for questions that can be used as guidance to structure any potential comments and feedback can be found enclosed. Any comments should be received by **11 January 2008** and should be sent by email to:

transparency@ergereg.org

Following the end of the public consultation period, ERGEG will publish all comments received from stakeholders. Any respondents wishing ERGEG to treat its contribution as confidential should clearly state this in their reply and endeavour to give any confidential material in annexes that can be separated from publishable non-confidential material.

ERGEG intends to produce an updated report for the next Madrid Forum in Spring 2008 – this document will set out further thoughts on potential transparency requirements in response to this consultation and conclude the work of the work stream.

Any questions relating to this document should in first instance be directed to:

Mrs. Fay Geitona
Tel: +32 2 788 73 30
Fax: +32 2 788 73 50
Email: fay.geitona@ceer-eu.org

3 Questionnaire

General

- Do you consider the existing transparency requirements to be sufficient? or
- Are the existing transparency requirements too prescriptive?
- If not, what are areas where more transparency is needed?

Users

- From a user's perspective, is the information provided by TSOs in line with your own observations, especially with regard to usability, completeness, updating, and coverage of information/data provided?
- What are areas where further improvement by the TSOs is needed to ensure better usability of the information provided?
- From your own experience, which are the transmission systems with congestion where historical capacity information is not available and/or the probability of an interruption is not transparent?
- Taking transparency forward, what is it that you as users would like to see (e.g. single secondary market platform, specific pieces of information etc.)?

TSOs

- Please provide explanations for those questions where you provided the following answers:
 - Not implemented ('No')
 - Not applicable
 - Not known
 - Empty cell

- Are there any areas where it is not possible to implement the transparency requirements outlined in Regulation 1775/2005/EC?

NOTE: ALL TSO RESPONSES SHOULD REFER TO THE RESPECTIVE CUT-OFF DATES (15th April/1st July 2007). THERE SHOULD BE NO EX-POST ADJUSTMENT OR CHANGES OF THE INFORMATION PROVIDED AS SUCH.