

**CONCLUSIONS
MADRID FORUM
26-27 SEPTEMBER 2011**

DAY 1

1. 3rd package – Transposition and implementation

- (1) The Forum welcomes the information provided by the Commission on the state of play of the transposition of the 3rd package into national law. The Forum stresses again the importance of full, implementation without further delay and encourages the Commission to continue providing assistance to Member States, national regulatory authorities and system operators in the course of the implementation process, in particular in those Member States where full transposition did not happen yet. Infringement proceedings should be considered by the Commission. The Forum invites national regulatory authorities (NRAs), system operators and market participants to implement quickly the provisions of Regulation (EC) No 715/2009 which do not need transposition in national law and to use best practices.
- (2) The Forum appreciates the analysis done by ACER on transit contracts in force and invites ACER to report back to the Forum on progress in resolving the outstanding issues.
- (3) The Forum notes ACER's intention to monitor the implementation of transparency rules pursuant to Chapter 3 Annex I of Regulation (EC) No 715/2009 and to report back to the Forum of the results of its analyses at the next meeting.

2. Energy Infrastructure Package and infrastructure financing

- (4) The Forum stresses that the identification of projects of European interest should be based on the 10-year network development plan (TYNDP) and on objective and transparent criteria reflecting the energy policy objectives of an integrated market, security of supply, innovation and sustainability, including the essential role of gas in the energy mix.
- (5) The Forum stresses that the identification process needs to be fully aligned with the network planning by the network operators under the TYNDP and welcomes the development of a regionally based approach for the EU infrastructure priorities in order to encourage the creation of a consensus among all stakeholders, the Commission, Member States, NRAs and TSOs
- (6) The Forum supports a market-based approach for incentivising investments in the gas sector. In this context, the Forum welcomes the development of a framework for cross-border cost allocation. The Forum takes notes of the intention of Commission to complement the regulatory framework with innovative financial instruments and/or grants where appropriate.

- (7) The Forum particularly emphasizes the need to tackle permit delays. The Forum underlines the need to ensure full transparency on projects of common interest, concentrated responsibilities for national authorities and improved cross-border cooperation between competent authorities and early public consultation of the stakeholders concerned with a view to the permit granting.
- (8) The Forum thanks ENTSOG for its efforts to submit the first official TYNDP already this year. It thanks ACER for its thorough analysis of the TYNDP and its reasoned opinion. The Forum encourages ENTSOG to further develop the TYNDP, having also regard to the TYNDP in electricity, and to take on board the comments made by stakeholders in the course of the public consultation and those of ACER in its reasoned opinion. The Forum agrees that the TYNDP needs to include cost-benefit analyses in order to cater for the identification of projects of common interest.

3. Regional initiatives

- (9) The Forum welcomes the EU Energy Work plans 2011-2014 submitted by the gas regional initiatives (GRIs) and thanks the regulators and ACER for this work.
- (10) The Forum encourages the GRIs to provide greater focus of the prioritisation of their work and in particular to programs on infrastructure development and on pilot projects testing early implementation of framework guidelines and network codes. Given the resource constraints priority should be given to projects that may have a significant added value and feed into the network development process, the development of joint CAM platforms and the offering on a voluntary basis of bundled products.
- (11) The Forum welcomes ACER's coordinating role and encourages ACER and GRIs to coordinate the Work plans further with the stakeholders as well as within and between regions. The Forum invites the lead regulators for each GRI to regularly update the Work program, to provide a regular overview of the meeting schedules to encourage the involvement of Member States and stakeholders and to present progress at each Madrid Forum until 2014.

4. Tariffs

- (12) The Forum thanks the regulators for the work on the possible scope of a Framework Guideline regarding harmonised transmission tariff structures done so far. The Forum invites ACER to consult on the possible scope with stakeholders and to present the outcome of that consultation and a first outline of the Framework Guideline on harmonisation of transmission tariff principles at an early meeting of the Forum.
- (13) The Forum supports the further investigation of the need of EU involvement in grid tariffication. The Forum therefore encourages stakeholders to participate actively in the public consultation debate, including in the study carried out by THINK on "EU involvement in electricity and natural gas grid tariffication", which will take place in November.

5. Framework Guideline on Interoperability

- (14) The Forum welcomes the progress made on scoping and the Commission's intention to send the letter to ACER in the next few weeks inviting them to submit the Framework Guidelines on Interoperability within 6 months. It is looking forward to receiving an update on the work at the next Forum.

6. Storage & LNG

- (15) The Forum welcomes the work done by the regulators, GLE and GSE and invites all to continue their valuable work in the respective areas.
- (16) The Forum welcomes the regulators' work on the revision of the Guidelines of Good Practice for Storage System Operators (GGPSSO) regarding capacity allocation and congestion management procedures. The Forum invites SSOs to implement the voluntary GGPs in order to progress towards the establishment of the internal market.
- (17) Furthermore the forum invites the regulators and GLE to work out, by December 2011, a transparency template that can serve as the basis for a transparency tool of LNG operators. Such a new transparency tool should be presented at the next Madrid Forum.

7. Framework Guideline/Network Code on Capacity Allocation Mechanisms

- (18) The Forum congratulates ACER for adopting framework guidelines on capacity allocation mechanisms under Regulation (EC) No 715/2009. The Forum acknowledges that the adoption of these framework guidelines within five months of the Agency becoming operational is an important achievement. The Forum sees it as a first step in the application of the new framework created by the 3rd Package towards meeting the goal of completing the internal market by 2014, as called for by the European Council in February this year.
- (19) The Forum welcomes the work and extensive consultation done by ENTSOG to develop the network codes. The Forum encourages ACER and ENTSOG to continue their close cooperation on the development of the network codes. It also encourages them to pursue the work on impact assessment of the proposed rules on capacity allocation mechanism. The Forum invites ENTSOG to present the final network code to the next Forum. ACER takes notes of the comments of stakeholders on the sunset clause.
- (20) The Forum welcomes Member States active participation in the discussion from the early stage on and encourages them to continue their involvement in the process of the development of the network codes.

8. Congestion Management Procedures – Comitology Guidelines – update on progress

- (21) The Forum welcomes the Commission's proposal to amend chapter 2 of Annex I of Regulation (EC) 715/2009 on congestion management procedures and invites the Commission to launch the Comitology procedure.

- (22) The Forum agrees that enhanced harmonised and coordinated congestion management procedures will foster the implementation of the internal market.

9. Framework Guideline on Balancing

- (23) The Forum welcomes the work and the public consultation done by ACER to develop a framework guideline on market-based balancing rules.
- (24) The Forum invites ENTSOG to cooperate, where appropriate, to cooperate closely with organisations representing DSOs at a European level on the development of the network code. The Forum encourages ACER and ENTSOG to work on the impact assessment of the proposed rules. In the network code, a linkage should be made between obligations for shippers to manage their within-day obligations and obligations on TSOs to provide the necessary information enabling shippers to do so.
- (25) The Forum encourages Member States to actively participate in the discussion from an early stage on.

10. Gas Target model – results

- (26) The Forum welcomes the work done by CEER and proposes that the final, consulted version of the document be adopted at its forthcoming session in spring 2012. In the consultations on a final Gas Target Model the Forum invites NRAs together with Member States, ENTSOG and other stakeholders, to further address the framework guidelines and network code development process. In addition, it invites them to elaborate concepts on the allocation of incremental capacity so that ‘new build’ capacity at existing interconnection points can be integrated into a market-based approach. It further invites NRAs together with Member States and stakeholders, e.g. in the framework of the regional initiatives, to elaborate where and how to implement the measures proposed in the Gas Target Model with a view to completing the internal market by 2014. The implementation of entry-exit systems in all Member States as required in the 3rd package is an important first step towards implementation of the Gas Target Model.

11. Gas quality

- (27) The Forum invites the consultants to have further discussions with stakeholders before finalizing the study. The Forum invites ACER to consider the issue in the development of the framework guideline on interoperability. The Forum takes note of the Commission's intention to propose a roadmap on gas quality to the next Madrid Forum.