

CONCLUSIONS
XXI. MADRID FORUM
22-23 MARCH 2012

1. 3rd package – Transposition and implementation, transit contracts and transparency

- (1) The Forum urges Member States to transpose and Member States, national regulatory authorities (NRAs) and transmission system operators (TSOs) to implement the provisions of the Third Energy Package. The Forum welcomes the Commission's continued provision of assistance in this field. The Forum also urges NRAs, TSOs and market participants to implement quickly the provisions of Regulation (EC) No 715/2009 which do not need transposition in national law.
- (2) The Forum invites ACER to work together with the relevant NRAs to quickly finalize the outstanding issues and publish its final conclusions of its transit contract analysis. The Forum also invites ACER to highlight in its conclusions where follow-up action on a European or national level is warranted.
- (3) The Forum welcomes the work done so far by ACER concerning the monitoring of compliance with transparency provisions of Regulation (EC) No 715/2009. The Forum invites ACER to, working together with the GRIs, quickly finalize this monitoring exercise, highlighting TSOs that have failed to implement the provisions, and either take appropriate steps or, where applicable, report to relevant NRAs and the Commission, to ensure TSOs' full compliance with transparency provisions of Regulation (EC) No 715/2009 including the provision of near real time flow information as defined therein.

2. REMIT

- (4) The Forum supports the Commission's implementation plan on REMIT. The Forum however took note of problems encountered by many stakeholders in understanding requirements of REMIT. The publishing by ACER of guidance on the application of REMIT by NRAs is a welcome initiative but the Forum invites ACER to continue its work by publishing a further guidance note on the application of certain definitions in the wholesale gas market by Q3 2012. The Forum also encourages the Commission and ACER to further clarify specific implementation-related questions in close cooperation with Member States and other stakeholders.

3. Gas Target Model

- (5) The Forum endorses the Gas Target Model as developed by CEER and thanks CEER for steering the process and stakeholders for their active participation therein. The Forum welcomes work that has been initiated by NRAs together with Member States, TSOs and stakeholders in preparing the implementation of the measures proposed in the Gas Target Model and encourages further such initiatives.

4. Incremental capacity

- (6) The Forum welcomes the work of CEER and EFET on incremental capacity and urges cooperation with other stakeholders in developing an appropriate mechanism serving the objective of completing the internal market in gas.

5. Cold spell

- (7) The Forum reiterates the importance of the adequate level of preparedness, coordination of action and transparency to tackle tight supply situations and urges Member States to include the lessons learnt in their preventive action and emergency plans including demand-side management measures.
- (8) The Forum encourages Member States to assess security of supply at regional level and consider the close interdependence between electricity and gas.
- (9) The Forum invites TSOs, SSOs and LSOs to ensure that data published in line with transparency rules is available in a user-friendly format, by developing, where necessary, the appropriate IT tools, the cost of which must be considered to the extent that they are efficiently incurred.

6. LNG

- (10) The Forum welcomes the work done by CEER and GLE on transparency regarding access to terminals and invites all to continue their valuable work in the respective areas.

7. Regional Initiatives

- (11) The Forum welcomes the updated work plans for the three GRI Regions and the greater focus given in them to pilot projects that will test the early implementation of network codes, especially in the areas of capacity allocation and balancing. The Forum also welcomes the commitment of ENTSOG to encourage TSOs, with the full involvement of relevant NRAs and Member States, to work towards setting up a number of regional pilot projects and regional pilot platforms for the early implementation of coordinated allocation, through market-based mechanisms, of a common set of bundled capacity products, involving and with the full engagement of other stakeholders. An initial implementation roadmap based on these pilot projects will be developed by TSOs, lead regulators and relevant NRAs.
- (12) The Forum asks ACER and ENTSOG to monitor the progress of this initiative and to report to the next Madrid Forum on the progress on establishing the pilot projects. Member States, relevant NRAs and TSOs are also invited to commit their support to the early implementation of the provisions on capacity allocation.

8. Capacity Allocation Mechanisms

- (13) The Forum thanks ENTSOG for the preparation and timely presentation of the final network code on capacity allocation mechanisms. The Forum takes note of stakeholders' concerns regarding cross-border capacity products.
- (14) The Forum invites ACER to provide a reasoned opinion on the network code in due time and taking into account in its assessment the broad objectives set out in the Framework Guideline as well as the overarching 2014 goals.
- (15) The Forum welcomes the intention of TSOs to set up the first regional platform before the entry into force of the network code on capacity allocation mechanisms.

9. Congestion Management Procedures

- (16) The Forum takes note of the Commission's proposal to amend chapter 2 of Annex I of Regulation (EC) 715/2009 on congestion management procedures as well as the progress made during the Comitology procedure. The Forum welcomes the work done by the Commission to develop the guidelines on congestion management procedures.

10. Balancing

- (17) The Forum welcomes ACER's framework guideline on gas balancing in transmission systems. The Forum welcomes the work and extensive consultation done by ENTSOG to develop the network code. The Forum acknowledges ENTSOG's commitment to cooperate closely with organisations representing DSOs and the active approach taken to involve all regions in the process.
- (18) The Forum encourages ACER and ENTSOG to continue their close cooperation on the development of the network code, especially concerning rules on within-day obligations, nominations and re-nomination. The Forum encourages them to pursue the work on impact assessment of the proposed rules on balancing.
- (19) The Forum acknowledges the development of balancing rules as an important step towards meeting the goal of completing the internal market by 2014. The Forum urges 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.

11. Tariffs

- (20) The Forum thanks THINK for their study on "EU involvement in electricity and natural gas grid tariffication".
- (21) The Forum thanks ACER for the work done in the scoping exercise and public consultation of a scope for a framework guideline on harmonised transmission tariff structures and welcomes the establishment of an expert group. The Forum takes note of the Commission's intention to invite ACER to develop a framework guideline in June 2012. The Forum takes note of ACER's intention to continue the transparent

process for the preparation of the framework guideline taking the views, positions and evidence provided by stakeholders and experts into account. The Forum expects the framework guideline to effectively promote market integration and the attainment of the 2014 goals. Finally, the Forum calls on ACER to present the draft framework guideline on harmonised transmission tariff structures to the next Forum.

12. Interoperability

- (22) The Forum thanks ACER for its scoping and problem identification work and welcomes the publication of the draft Framework Guidelines for Interoperability and Data Exchange.
- (23) The Forum invites ACER to present the finalized framework guideline at the next Forum.

13. Gas quality

- (24) The Forum welcomes the Commission's Roadmap on gas quality to give further impetus to the work in this area. The Forum also thanks CEN for its work on Phase I of the standard and encourages it to continue its Phase II work taking into account possible implementation timelines. In addition to that, the Forum welcomes Marcogaz's and EASEE-gas' initiative to set up a parallel pilot process, with a more limited set of countries having already similar gas quality requirements, which should be launched aiming to identify practical issues for the implementation of the standard. Stakeholders including DSOs, industrial customers and infrastructure operators should be involved and the conclusions of the pilot process should feed into the CEN work.
- (25) The Forum invites ACER to include provisions concerning the handling of differences in gas quality and the allocation of responsibilities into the framework guideline on interoperability. The Forum suggests concentrating efforts on increasing transparency towards network users and gas consumers and fostering cooperation between TSOs to manage differences in gas quality.