



**Romanian Energy
Regulatory Authority**



**Hungarian Energy and Public Utility
Regulatory Authority**

**28th Regional Coordination Committee Meeting
GAS REGIONAL INITIATIVE – SOUTH SOUTH-EAST**

19 November 2015
13.00-17.00 CET (14.00-18.00 local time)
**Ramada Majestic Hotel, Academiei meeting room
Calea Victoriei 38-40, Bucharest**

Participants:

No.	NAME	INSTITUTION
1	Aldona Kaźmierska	Energy Regulatory Office Poland (URE)
2	Andrzej Nehrebecki	Energy Regulatory Office Poland (URE)
3	Nina Grall-Edler	Energy Community Secretariat
4	Dennis Hesseling	ACER
5	Riccardo Galletta	ACER
6	Martin Svoboda	Energy Regulatory Office (ERU)
7	Peter Ikrényi	Energy Regulatory Office (ERU)
8	Balazs Sandor	Hungarian Energy and Public Utility Regulatory Authority (HEA)
9	Aleksandar Popadic	Energy Agency of the Republic of Serbia
10	Vincenzo Cioffo	Italian Regulatory Authority for Electricity, Gas and Water (AEEGSI)
11	Kristóf Kovacs	European Commission
12	Milen Dimitrov	Bulgarian Energy and Water Regulatory Commission (EWRC)
13	Sirma Dencheva	Bulgarian Energy and Water Regulatory Commission (EWRC)
14	Vanya Vasileva	Bulgarian Energy and Water Regulatory Commission (EWRC)
15	Alessandro Ischia	E-CONTROL
16	Charis Tsalikidis	Regulatory Authority for Energy (RAE) Greece

No.	NAME	INSTITUTION
17	Lusine Caracasian	Romanian Energy Regulatory Authority (ANRE)
18	Cristian Selavardeanu	Romanian Energy Regulatory Authority (ANRE)
19	Mihai Ramniceanu	Romanian Energy Regulatory Authority (ANRE)
20	Raluca Bucur	Romanian Energy Regulatory Authority (ANRE)

In the opening of the meeting, **Ms. Lusine Caracasian** welcomed the participants and gave a quick presentation of the points on the agenda.

The agenda of the 28th RCC meeting was approved.

The minutes of the 27th RCC meeting was also approved.

Co-chairmanship rotation

To ensure equal representation of the different perspectives, and that each NRA is equally involved in the work of the Region, the NRAs have agreed to adopt a rotation rule for the co-chairmanship. Moreover, to ensure continuity of the GRI SSE activities, the co-chairs shall not be simultaneously replaced. In principle, each co-chair shall serve for a mandate of two years. Based on the rotation rule, URE, after three fruitful years as a co-chair, stepped down from this position. HEA accepted to become the new co-chair of the GRI SSE and to join ANRE, the Romanian NRA, in co-chairing the regional activities (HEA's letter from 25 September 2015). Ms. Lusine Caracasian especially thanked Mrs. Aldona Kaźmierska and her colleagues for the active contribution during the last co-chair mandate.

Mrs. Aldona Kaźmierska welcomed the participants and thanked for the open cooperation, and expressed her hope for the future fruitful involvement.

Mr. Balazs Sandor also welcomed the participants of the meeting and underlined the necessity to continue the assumed procedures and projects.

Follow up on Madrid Forum XXVIII

Ms. Lusine Caracasian has emphasized that the XXVIII Madrid Forum, in October 2015, held a strategic discussion on the role and future of Gas Regional Initiatives. The current status of the EU internal market requires a more focused, problem- and result-oriented approach to regional cooperation, in the geographic structure that is most suited to the resolution of the identified issues. Such an approach should employ efficient project management, including clear responsibilities, deadlines and deliverables. The Forum invites ACER, CEER and ENTSOG to put forward a template for such work involving the relevant parties by early 2016.

Mr. Dennis Hesselning summarised the main messages emerged at the XXVIII MF on the GRI. GRI is supposed to deliver tangible results in terms of steps towards the completion of the IEM. To make it possible, efficient and effective project management is essential. Small and realistic steps are necessary to achieve progress. Considering the state of play in the region, there is a need to focus on the most important objectives and discard the others. The retained (or new) objectives should be achieved through a well prepared strategy, which will also imply updating the Work Plan. The discussion is meant to improve and streamline the efforts of the Region vis-à-vis the real challenges, national or cross-border, it faces.

Mr. Kristof Kovacs referring to the first stage of the Work Plan drew attention on the legal components. He suggested that GRI SSE should focus more on the project implementation and not only on networking. He was interested in NRAs expectations regarding regional initiative.

Mr. Alessandro Ischia suggested that ACER and EC shall impel the representatives of all GRI SSE member countries to participate to the meetings and underlined that networking is an important aspect in working group.

Mr. Martin Svoboda asserted the differences among the gas systems of the countries in the region and proposed to think how to concentrate the Work Plan on implementation of important projects for the region.

Mrs. Aldona Kaźmierska supported the idea of cooperation as a positive value considering that EC has high expectations from the regulators and there are limited human resources for the implementation of the Working Plan on schedule.

Mr. Charis Tsalikidis ensured that Greece would support further the implementation of the Working Plan.

Ms. Lusine Caracasian expressed the importance of the cooperation with all the others regulators together with the stakeholders in the region.

Mr. Balazs Sandor asserted that regulators and TSOs address issues differently and exchanging information and examples of the issues in the gas sector is useful because by default every country pursues the national interest in the gas sector.

Mr. Vincenzo Cioffo suggested that taking into consideration that GRI SSE refers to a region involving 12 Member States with different interconnection points, some of them critical, and with different issues in the sector, it is important to find common solutions, that, in some cases, are not only in the hands of the NRAs. **Mrs. Nina Grall-Edler** agreed that the implementation of the Network Codes should be regarded as a European cooperation experience.

Mr. Milen Dimitrov expressed the regret for not being able to participate to all the meetings due to limited resources.

Mr. Dennis Hesseling stated that the networking, learning, spreading best practices and more alignment in the implementation of the NCs are indeed all important things, and as a first step these could be more clearly communicated. At the same time, these are all “soft” things, which is exactly what the European Commission thinks is not enough to justify the GRI activities..

Mr. Kristof Kovacs asserted that networking is not enough for GRI SSE and that the region should concentrate more on results by taking charge and really dealing with the issues and the members should point what is the importance of this cooperation from the national interest perspective. An example in this respect could be the CESEC project.

Mr. Martin Svoboda emphasized the cooperation is very important for example in the case of the platform implementation issues as agreements between TSOs for using similar systems.

Mrs. Aldona Kaźmierska pointed that without networking and collaboration it is very difficult to solve issues – for example infrastructural issues as transportation on the existing routes or building another corridor or how to solve security issues, or allocating the capacity on the N-S corridor.

Mr. Alessandro Ischia expressed the expectations regarding ACER and EC to impel the activity of the region. **Mrs. Nina Grall-Edler** asserted that to bring regulators together for discussions is the benefit of the region cooperation and the intervention of EC maybe is needed when the regulators do not have concrete results.

Mr. Balazs Sandor stressed that there are very big differences between countries and that the particularity of the national systems and of the region itself should be taken into account. Moreover, it should not impose in the region the N-W market model.

GRI SSE Work Plan 2015-2018 - implementation

Ms. Lusine Caracasian invited the project promoters to inform about the latest actions taken in the pilot projects.

Mr. Balazs Sandor presented the complete evolution of the *Project I: The Regional Booking Platform – Hungary-Romania*. There are discussion with E-Control regarding a tender for selecting the booking platform on interconnection point AT-HU.

Mrs. Aldona Kaźmierska presented the complete evolution of the *Project II: GAZ-SYSTEM Auctions Platform – Poland – Czech Republic*.

Mr. Vincenzo Cioffo and **Mr. Alessandro Ischia** presented *Project III: PRISMA Platform – Austria – Italy - Slovenia*. The third phase of the project is ongoing and on schedule.

Mr. Charis Tsalikidis presented *Project IV: Common capacity allocation procedures and bundling of capacity products between Bulgaria and Greece*. Although there are minor delays, the Greek TSO chose a platform, namely RBP. The Bulgarian TSO is in the process to choose a platform. The timeline can not be settled regarding the legal acquisition process in Bulgaria.

Project V: Assessment of gas quality parameters was proposed to be cancelled by the URE's representatives.

Mr. Alessandro Ischia presented *Project VII: Market integration in CEE – Austria –Czech Republic* - different market models are being analysed.

Mrs. Aldona Kaźmierska presented *Project VIII: Road Map towards the common regional V4 gas market - Visegrad Group - Poland, the Czech Republic, Slovakia and Hungary* and suggested that in December V4 regulators would have a meeting to decide if this project should be implemented or not. **Mr. Martin Svoboda** added that it is very difficult to develop it in the four countries. **Mr. Balazs Sandor** underlined that the market is not ready for the N-S capacity, the cost of the infrastructure is very high and there is only a political interest of the fourth countries.

Mrs. Nina Grall-Edler presented *Project IX: Cooperation between EnC TSOs and ENTSOG Transparency Platform in accordance with the transparency requirements of 715/2009*. The report shall be published next year.

Mr. Alessandro Ischia presented *Project X: Improvement of transparency of regional Virtual Trading Points in SSE*. A questionnaire will be sent to NRAs by the end of the year.

Mr. Balazs Sandor presented *Project XI: Harmonization of trading licenses of V4 countries – Hungary* - a study on licensing harmonization is on going.

Mr. Alessandro Ischia and **Mr. Vincenzo Cioffo** presented *Project XII: The Third Energy Package implementation in SSE countries and the responses on the questionnaire*. The presentation will be updated with the information received from EWRC.

In terms of organizational structure it was decided to end the formal separation of the various IGs. This means that when the IG meets, in principle twice per year, back-to-back with the RCC meeting, and will host topical sessions according to the need of the Region. Each session will be chaired by the NRAs and/or TSOs that have most closely been involved in the topic.

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No other business was addressed.

Concluding remarks and next meeting

Having in mind the conclusions of the XXVIII Madrid Forum, participants agreed to update the SSE Regional Work Plan in order to concentrate the effort on fewer projects, with more clearly assessable interim results. Moreover, taking into account the priorities and resources available at NRAs level, it may be advisable to launch new projects for the years 2016 to 2018, as the present work has only a few.

Such an approach would imply a deeper involvement of stakeholders and the establishment of clearer responsibilities, deliverables and deadlines at regional level. In this respect, a draft template will be send by the end of the year.

Close cooperation between NRAs and TSOs is needed, and strong support from the European Commission and ACER should be continued as well.

Ms. Lusine Caracasian proposed an evaluation of the ongoing projects to be done before the next meeting. The aim is to evaluate, by the next regional meetings in spring 2016, the contribution of each pilot project to the goals of the European energy market as well as its level of concreteness. The projects are valuable also when they allow tackling the identified gaps in the national framework that could hamper the principles of the single market. Among others, the region could focus on solving the implementation challenges still in place for the CAM and BAL NC, as well as the early implementation challenges of the IO NC.

Next SSE RCC meeting will be organized in Budapest in the April/May 2016.