


**ACER**

 Agency for the Cooperation  
of Energy Regulators

# **1st ACER Gas Target Model Workshop**

**1<sup>st</sup> ACER GTM workshop, Vienna, 8 October 2013**

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## **- Opening**

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## **Introduction**

## **Background: the „old“ Gas Target Model**

### **Market outcome I**

- entry-exit regimes in gas
- Long-term – short term markets in gas

### **Market outcome II**

- Benefits of an integrated European energy market
- ACER/CEER market monitoring report 2012

### **Problem identification**

- Recent changes in the legal framework, market dynamics and system requirements
- Issues for the Gas Target Model update

## **Conclusions and closing of the workshop**

## Guided tours of the Austrian National Library

**Join one of the guided tours in the lunch break!**

- **1st tour starts: 13:35**
- **2nd tour starts: 13:55**



**Approach:** ACER will develop the review and update of the GTM in two steps:

- Phase 1: project planning, justification and problem identification: July-November 2013
- Phase 2: further analysis of identified issues, preparation of updated GTM, communication: December 2013 – July 2014

**External contribution:** expert advice and stakeholder input is key:

- Informal advisory panel
- Stakeholder workshops and consultation
- Round table discussions

## 3. GTM update – Timing

Main milestones:

- **Concept paper by early November 2013 – justification and problem identification**
- In December 2013 first outline of draft updated GTM
- By end of May 2014 final proposal
- June-July 2014 finalisation and publication of updated GTM

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# Background: the “old” Gas Target Model

***Walter Boltz***

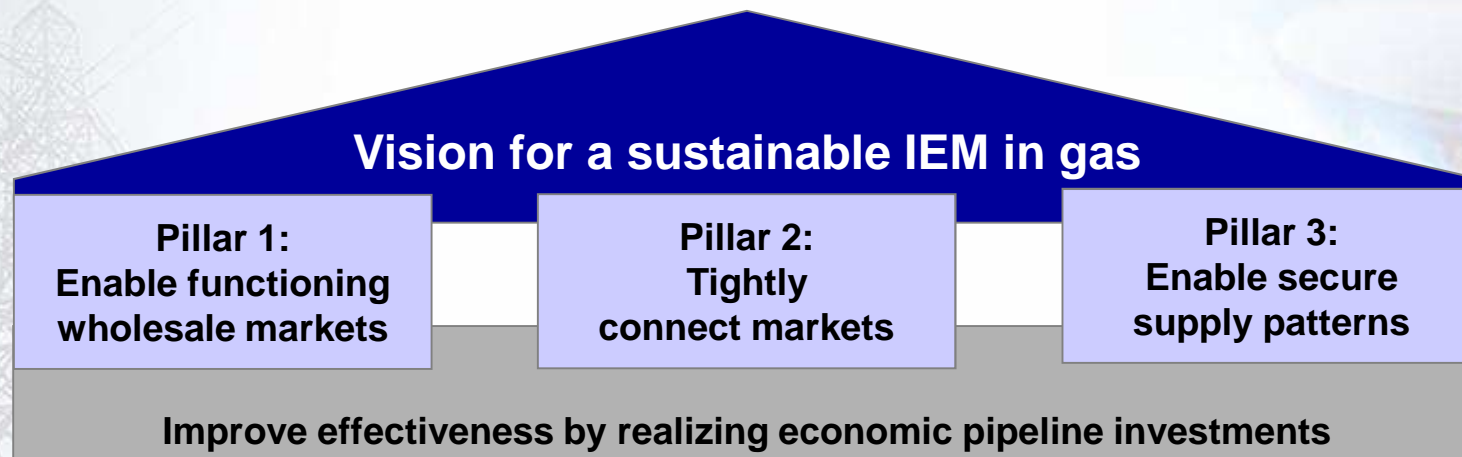
ACER Board of Regulators Vice Chair  
Chair of ACER Gas Working Group

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# 1<sup>st</sup> GTM - Objectives of the IEM

The Council of the European Energy Regulators (CEER) developed the first Gas Target Model in 2010-2011



**Pillar 1:** Structuring network access to the European gas grid in a way that enables functioning wholesale markets so that every European final customer is easily accessible from such a market.

**Pillar 2:** Fostering short- and mid-term price alignment between the functioning wholesale markets by tightly connecting the markets through facilitating cross-market supply and trading and potentially implementing market coupling as far as the (at any time) given infrastructure allows.

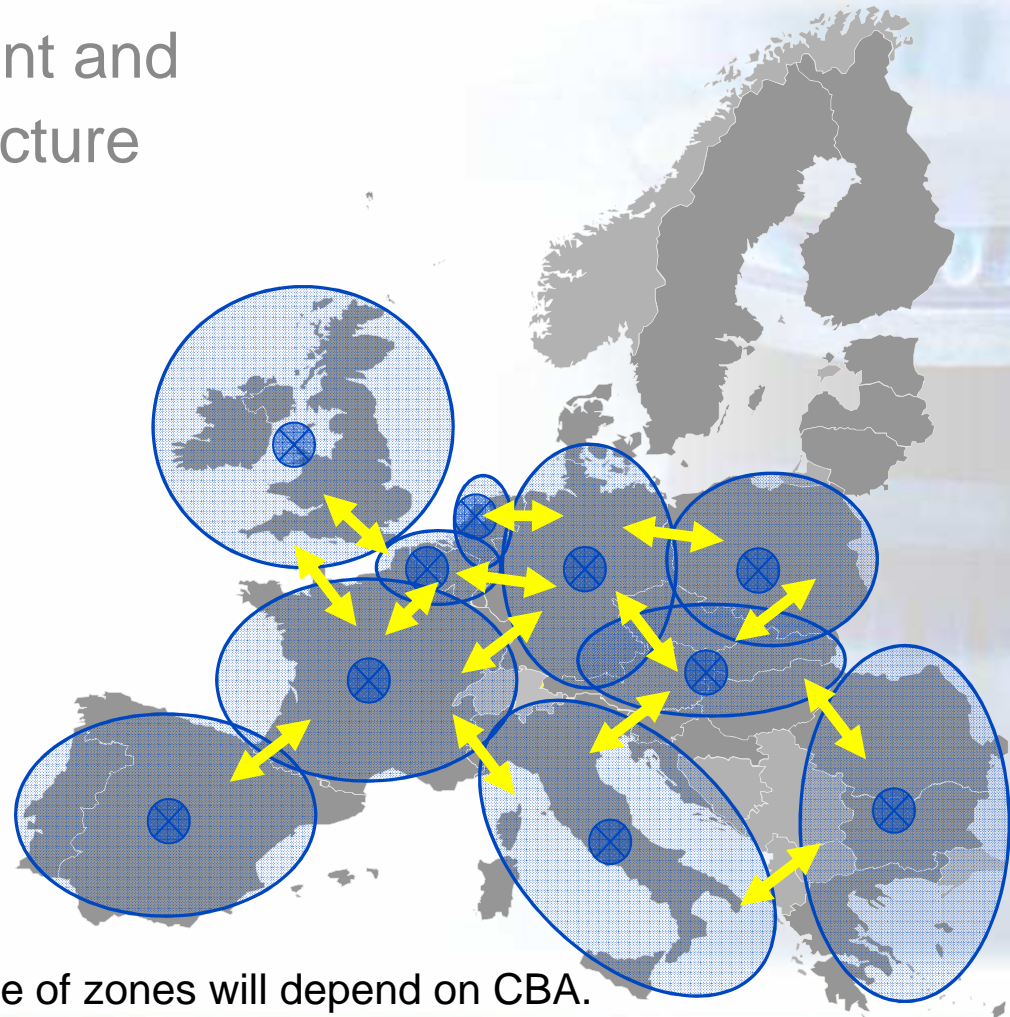
**Pillar 3:** Enabling the establishment of secure supply patterns to the functioning wholesale markets.


**Foundation:** Improving the effectiveness of pillars 1 to 3 by making sure that economic investments in pipelines are realized, as well as, the integration of renewable resources.



# Vision for the 1<sup>st</sup> GTM in a nutshell

- Liquid hubs with sufficient and efficiently used infrastructure
- Functioning markets in all of Europe
- Ensure that gas flows to Europe



 Hub

\* Zones drawn for illustration. Size of zones will depend on CBA.

# Vision for the 1<sup>st</sup> GTM - 1

- Functioning wholesale markets in Europe
  - If a country is able to create a functioning market within the country itself
    - Market area
  - If a country is not able to create a functioning market within the country itself
    - Cross-border market area
    - Trading region
- Connected functioning wholesale markets in Europe
  - Explicit versus implicit allocations
  - How to value short term capacity?



# Vision for the 1<sup>st</sup> GTM - 2

- Secure supply patterns
  - Short term trading will allow to respond to the growing need for flexible gas
  - Ensure that gas comes to Europe in the longer run
- Ensure that economic investments take place
  - e.g. regular “bidding” process for incremental capacity





# Recommendations 2011

## 1. Creating liquid wholesale markets

- Prioritise full implementation of 3<sup>rd</sup> Package
- Assessment of market liquidity and degree of market integration within GRIs by 31 Dec 2012

## 2. Connecting markets

- NRAs to consider measures to improve the efficiency in the use of capacity by 31 Dec 2012
  - e.g. interconnection agreements, creation of market areas or trading regions. Report initial results by Sept 2014
- Assessment of implicit allocation measures.
  - Initial conclusions of pilot projects involving at least two MS by early 2013

## 3. Investment

- Develop proposals how to identify and integrate new capacity in 2012