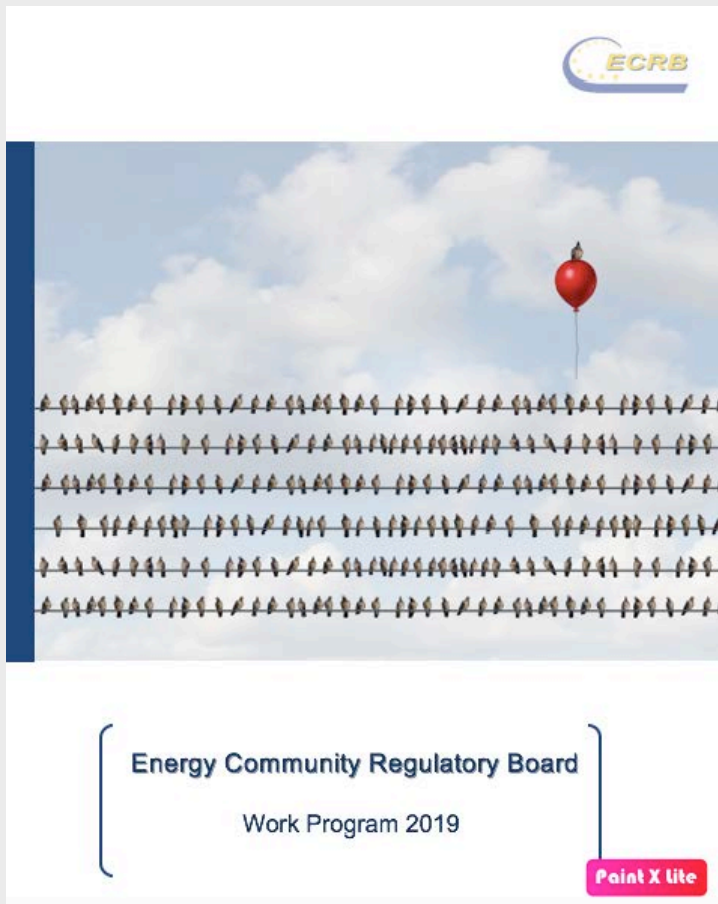




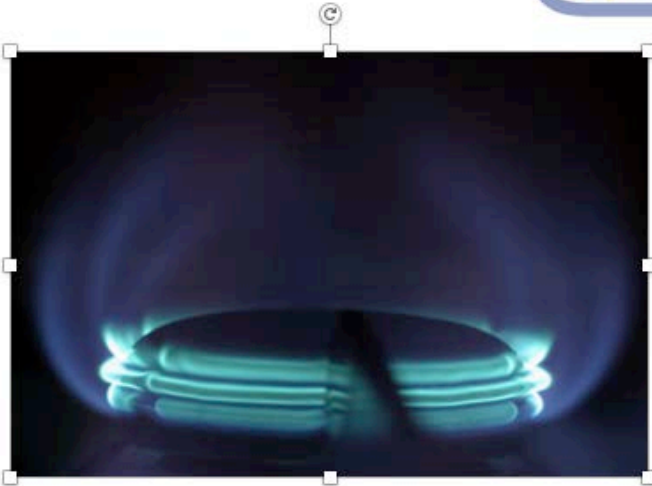
ECRB Gas Working Group Activities

Elena Stratulat, ECRB GWG Chairwoman



Documents:

1. **Report on compliance with the transparency requirements in the Contracting Parties - for ECRB approval;**
2. **Survey on gas Transparency MEDREG- ECRB - for ECRB approval;**
3. **Wholesale market monitoring – agreement on written approval;**
4. **Analysis on transmission and distribution systems' coordination - agreement on written approval.**



Transparency of gas transmission system operators in the Energy Community Contracting Parties

Status Review

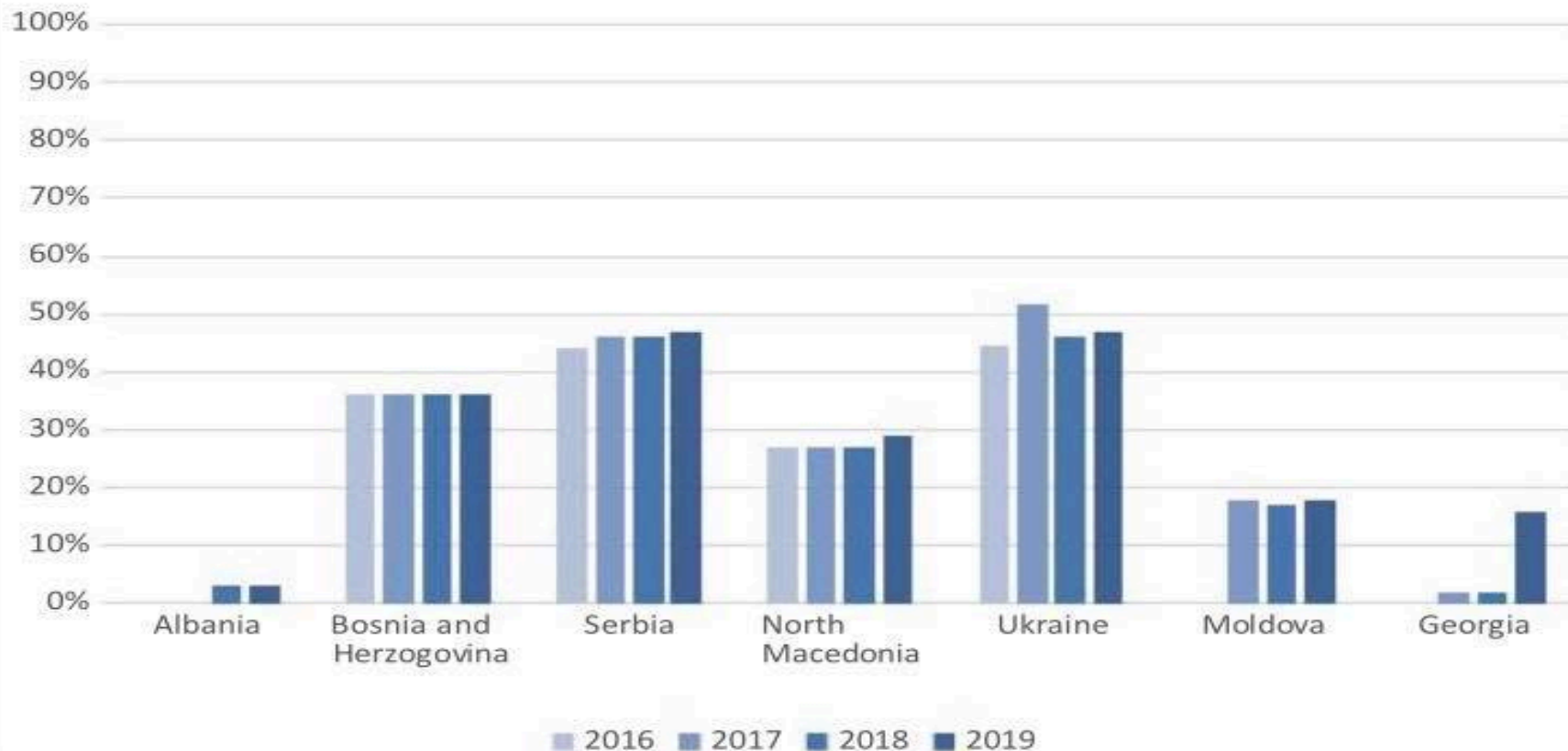
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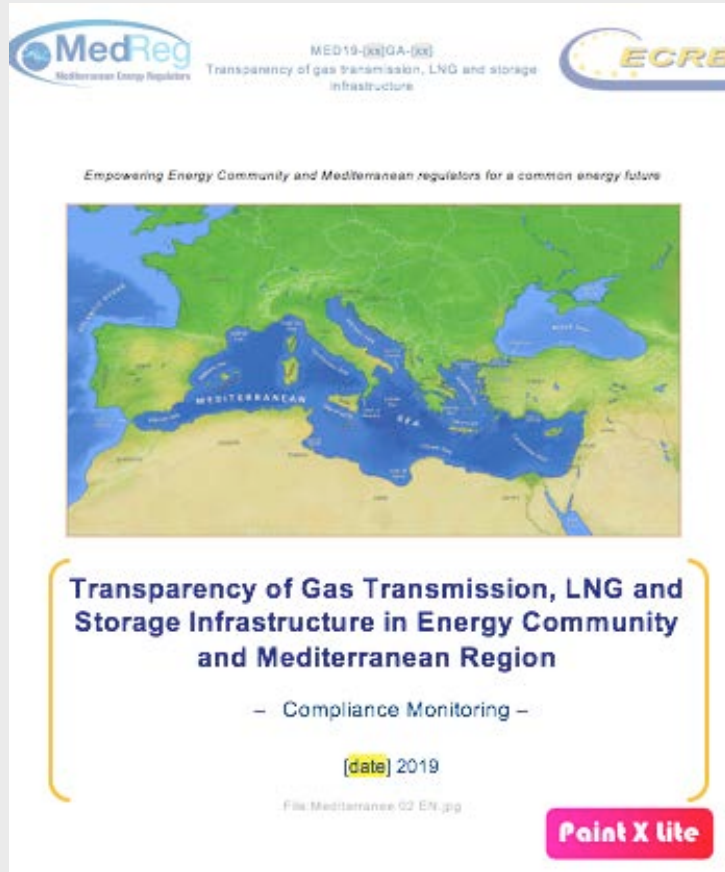
Scope:

3-rd Transparency review prepared by the ECRB Gas Working Group has the purpose of identifying the level of compliance with the transparency requirements of both Directive (EU) 73/2009 and Regulation (EU) 715/2009.

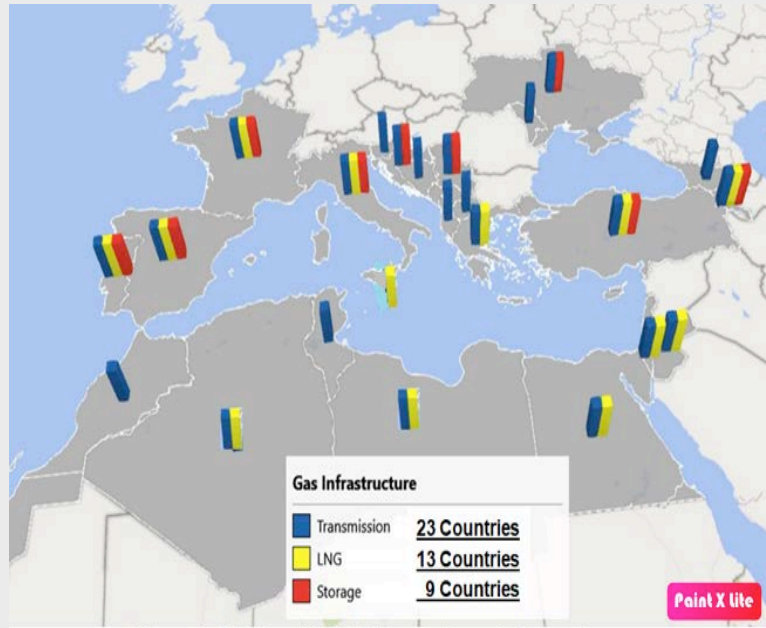
Results:

Annex I Reg. 715





The survey analyses the level of transparency provided for gas transmission, LNG and storage infrastructure in the Energy Community and Mediterranean Regions. The purpose of the report is to understand the status and degree of transparency in ECRB and MEDREG member countries;



- *Publication requirements differ among the monitored countries.*
- *it can be concluded that a certain level of transparency has been established among these countries. However, improvements and further progress are needed.*
- *legislation on transparency is not yet well established in some countries, namely among the non-EU MEDREG members. Therefore, this creates an impediment against the development and progression of the principle of transparency.*
- *MEDREG and ECRB to consider proper actions to adopt transparency requirement through its legal or regulatory provisions.*
- *There is a need for a minimum set of common rules. The lack or weak harmonisation between EU, Energy Community and its Mediterranean neighbours, particularly in relation to the level of transparency develops a barrier to markets integration and harmonisation. The Survey confirms that voluntary rules are not enough.*

Report covers the Energy Community Contracting Parties with functioning gas markets: Bosnia and Herzegovina, Georgia, Moldova, North Macedonia, Serbia and Ukraine.

It describes the status quo of gas markets on wholesale level to identify potential barriers and discuss recommendations on potential improvements;

Data and analysis in this report is based on information provided by the regulatory authorities of the analyzed markets for 2017-2018 year;

Some data origins also from the the 2019 Annual Implementation Report of the ECS.

Main Indicators analyzed:

- ***Natural gas consumption volumes and prices;***
- ***Sources of gas supply in EnC CPs;***
- ***Wholesale prices at the borders and in the CPs internal markets;***
- ***Number of shippers/suppliers at the borders;***
- ***Shares of market participants and concentration of natural gas markets; Transmission tariffs and flow costs at connection points;***
- ***Allocated capacity volumes;***
- ***Overview of balancing regimes of transmission network;***
- ***Transparency.***

Main findings:



- ❖ *Without Ukraine EnC CP total consumption is increasing while with Ukraine consumption has downward trend over years (Ukraine defines final aggregated results of EnC CP to a great extent);*
- ❖ *Main supplier in most CPs are 1 or 2 suppliers;*
- ❖ *Gas markets of the CPs are highly concentrated, i.e. only very limited number of companies with substantial market shares are sourcing gas to the analyzed national markets;*
- ❖ *In 2018, transmission tariffs were calculated separately for entry- exit points in Serbia and Ukraine only. In the other CPs, post- stamp methodologies were implemented*
- ❖ *Transmission tariffs are not converged and differ from CP to CP. Implementation of tariff NCs will help harmonizing methodologies of calculation and cost categories*
- ❖ *There is a lack of practice of regulating balancing processes in gas transmission systems – no daily balancing is implemented in CPs;*
- ❖ *Serbia and Ukraine are front runners in complying with transparency requirements*

Scope of analysis.

Report aims to develop a review of practice in EnC countries with regard the topics from the transmission and distribution network codes;

Topics covered:

- ✓ *Information about TSOs and DSOs (number, size, structure) and their relationship,*
- ✓ *Transmission/distribution network planning coordination;* ^[L]_[SEP]
- ✓ *Gas quality;* ^[L]_[SEP]
- ✓ *Coordinated maintenance procedures;* ^[L]_[SEP]
- ✓ *Determination of daily quantities for system users;* ^[L]_[SEP]
- ✓ *Coordinated system operation.* ^[L]_[SEP]

- *There are changes happening at distribution level in gas sector, DSOs no longer have the sector-passive role;*^[L]_[SEP]
- *There is a need to intensify coordinated network planning by active engagement of TSO and DSO ;*
- *Communication and data exchange regarding gas quality necessary to be established or improved;*

TF4 - Conclusions

- **Entry-exit tariff system not in place in all countries- still no observation about its impact on distribution tariffs and subsequent need for changes of pricing on distribution;**
- **Balancing regime not introduced in most of the Energy Community countries (Ukraine exception), ^[L]_[SEP]**
- **Challenge regulation in place- whether control of revenue recovery should incentivize system as a whole, not separately for TSOs and DSOs. ^[L]_[SEP]**
- **With regards to the future DSO and TSO relationship general principles applicable to both SOs could be further exploited. ^[L]_[SEP]**

GWG Work program 2020



Task Force	Leader	Scope	Deliverable	Due
I. Wholesale Market Monitoring	Mrs Elena Stratulat (ANRE)	Market monitoring is a core element of regulatory responsibilities. Only in-depth knowledge of market performance, stakeholder activities and development outlooks allow regulators to create an effective market framework that balances the needs of market players and is able to promote competition, customer protection, energy efficiency, investments and security of supply at the same time. Since of 2015 ECRB therefore prepares annual market monitoring reports assessing the functioning of gas and electricity retail markets. This complements the input provided by Contracting Parties' NRAs to the annual market monitoring report of ACER and CEER on retail market developments that is prepared in cooperation with the Energy Community Secretariat. The 2020 annual ECRB report will also provide an analysis of existing long-term contracts.	<ol style="list-style-type: none"> Monitoring report on the development of gas wholesale markets in the Contracting Parties Input to ACER's Market Monitoring Report on aspects of gas wholesale markets in the Contracting Parties 	<p>12/2020</p> <p>Subject to ACER timeline</p>
II. CMP Network Code Implementation	Ms Tetiana Kryvonoh (NEURC)	According to chapter 2.2.1 of the gas congestion management guideline ¹³ ECRB shall publish by 1 June of every year, commencing with the year 2020, a monitoring report on congestion at interconnection points with respect to firm capacity products sold in the preceding year, taking into consideration to the extent possible capacity trading on the secondary market and the use of interruptible capacity. The first edition of the report will also provide an analysis of existing long-term contracts.	Report on congestions	06/2020

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Task Force	Leader	Scope	Deliverable	Due
III. CAM Network Code Implementation	Mr Aleksandar Popadic (AERS)	Article 37 of the Network Code on capacity allocation ¹⁴ requires TSOs to offer transmission capacity by means of one or a limited number of joint web-based booking platforms and select such platform in cooperation with neighboring TSOs no later than 28.02.2020. ¹⁵ In case TSOs fail in this process, the relevant NRAs shall jointly select the single booking platform for a period not longer than 3 years. If the national regulatory authorities are not able to jointly select a single booking platform the selection power is referred to ECRB.	Organisation of a workshop involving Contracting Parties' and neighboring Member States' TSOs and NRAs on booking platform selection to prepare for implementation of Article 37 of the Network Code on capacity allocation.	Q1/2020
IV. Regulatory investment climate	Mr. Irakli Galdava (GNERC)	Providing a stable and predictable regulatory framework is a central precondition for attracting investments. ECRB [CEER and MedReg] will [jointly] analyse the regulatory investment framework in ECRB, CEER and MedReg countries and discuss possible areas of improvement. This activity will be performed in cooperation with the mirroring activities of the ECRB electricity working group.	Joint analysis of the regulatory investment framework in ECRB, CEER and MedReg countries. ¹⁶	12/2020

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<p>V. Opinions on gas Network Code Regulations</p>	<p><i>Coordinated by the ECRB President¹⁷</i></p>	<p>The principles of the Energy Community law, and in particular Article 89 of the Energy Community Treaty, require network codes and guidelines adopted and/or amended in the EU under Regulation 714/2009 or Regulation 715/2009 and incorporated into the Energy Community <i>acquis communautaire</i> based on Decision 2011/O2/MC-EnC to be transposed into the national legal systems of the Contracting Parties. Article 3(3) of PHLG Procedural Act 01/2012 on adoption of Network Codes and Guidelines requests the Secretariat to seek for the Opinion of ECRB on the Proposals before PHLG adoption. The ECRB gas working group is in charge of coordinated review of gas related documents.</p>	<p>ECRB Opinion</p>	<p>Upon receipt from the Secretariat</p>
<p>VI. Cyber security</p>	<p><i>Consultations coordinated by the ECRB Section at the Secretariat</i></p>	<p>The Energy Community Ministerial Council in November 2018 established a Coordination Group for Cybersecurity and Critical Infrastructures (CyberCG).¹⁸ The CyberCG aims to facilitate strategic cooperation and the exchange of information in an environment for open discussion on shared concerns or questions of common interest. The CyberCG work program 2020-2021 includes a number of work areas that are of regulatory relevance. While Contracting Parties' NRAs are involved in the CyberCG, coordinated regulatory input shall be provided via ECRB. The ECRB gas working group is in charge of related input in the area of gas.</p>	<p>Coordinated regulatory input to the activities of the CyberCG in the area of gas</p>	<p>Upon consultation by the Secretariat</p>

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Report from the last GWG meeting



- ❖ 46-th GWG meeting took place on **23 September 2019**, in Ljubljana, back to back with the Gas Forum.
- ❖ ***Updates on gas related recent Energy Community developments;***
- ❖ ***Round Table on 3rd Package implementation;***
- ❖ ***Discussion on network code implementation in the CP;***
- ❖ ***Updates of TF ongoing activities.***

Preliminary dates for the GWG meetings 2020:



GWG 47 - 11th February,

***GWG 48 - 11th May (depending on back to back meeting
of ACER GRI SSE);***

***GWG 49 - 22nd September (back to back with Gas
Forum).***

The background is a dark blue globe with a grid of latitude and longitude lines. Overlaid on the globe are numerous glowing blue lines and circular nodes, representing a global network or energy grid. The lines are bright and have a slight motion blur effect.

*Thank you
for your attention!*

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www.energy-community.org