



European
Commission

Next steps for Europe's gas market

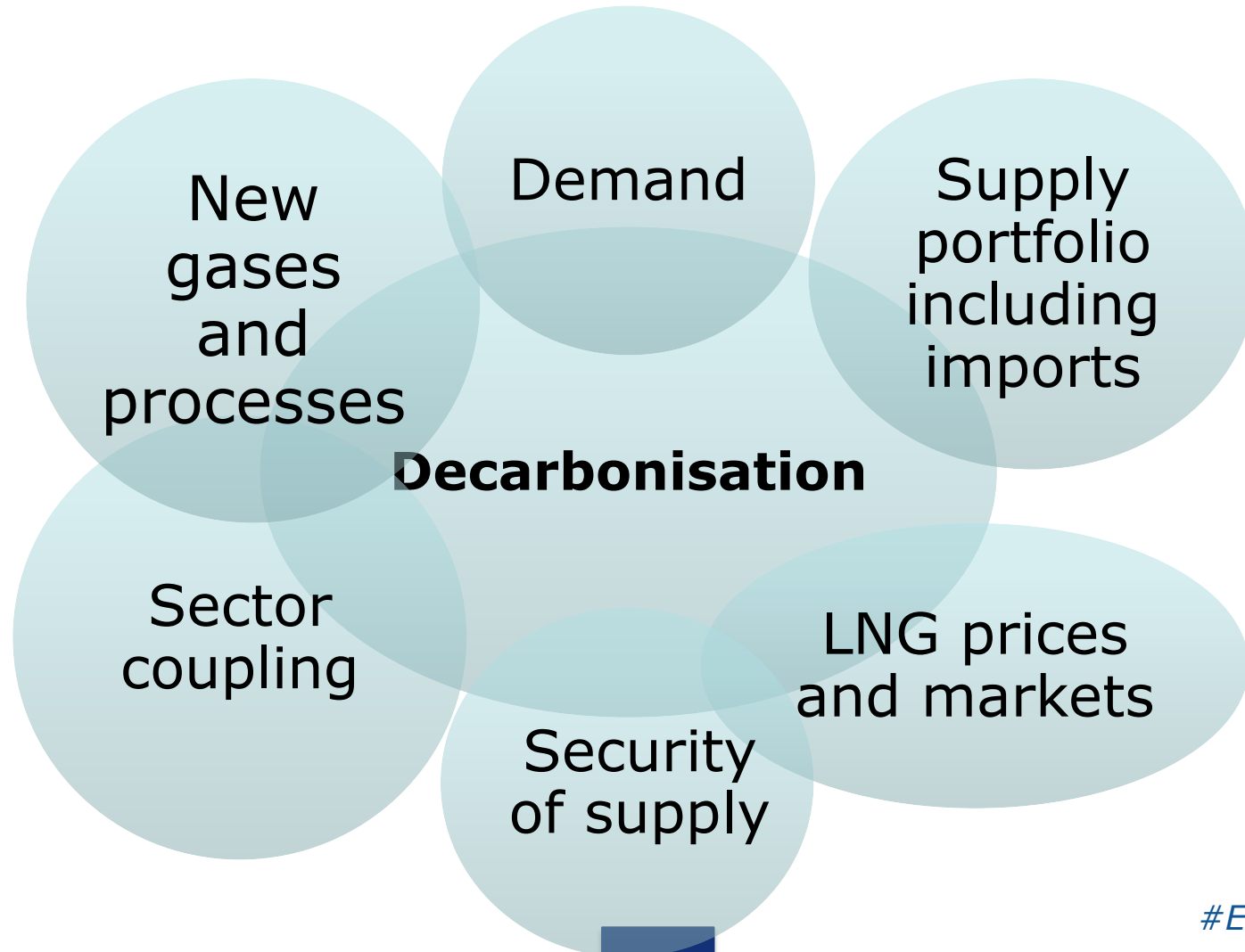
Maciej CISZEWSKI

European Commission

DG Energy

Source: Directorate-General for Energy

Context – challenge of energy transition

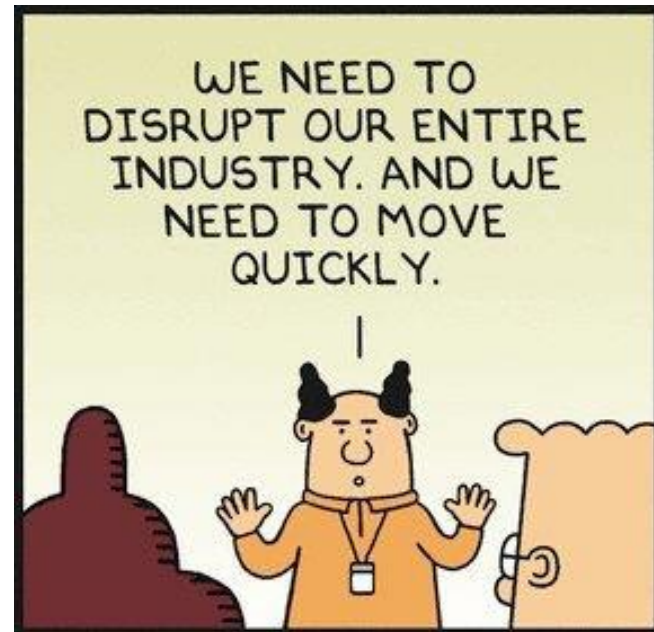
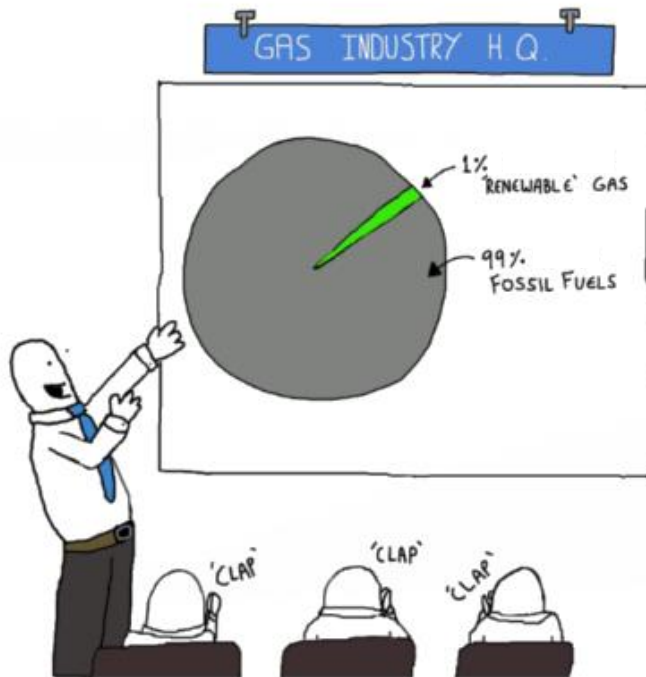




European
Commission

Quo vadis, gas industry?

Different perceptions and the day after tomorrow



Sector coupling & market reform

- Complementarity of gas and electricity to tap potential of various technologies
- Cost-efficiency of the new fuel mix
- Market framework – incentives and optimised usage of existing networks
- Enabling regulatory framework



Regulatory framework enabling the energy transition

- Reflection on the future framework has started
- Main objectives
 - Flexible as far as possible
 - Removing potential regulatory barriers
 - Market-based solutions
- Process very open to stake holder involvement (e.g. via the Madrid Forum)

Gas Market upgrading and modernisation

Alignment of the gas legislation

Institutional framework –
electricity market design

Streamlining the legislation

Regulatory framework fit for decarbonisation

New products and services of TSOs

Technology innovation/new gases in supply

STUDY ON-GOING

Upgrading the regulatory framework

Implementation of basic market rules and principles

Implementation of Network Codes

5 STUDIES

Legislative process (evaluation, impact assessment,...)



Thank you for your attention!

Contact:

Maciej Ciszewski, European Commission, DG Energy,

Assistant of the Deputy Director General, Mr Klaus-Dieter Borchardt

Mail: maciej.ciszewski@ec.europa.eu



Alignment and streamlining of the gas legislation

Institutional framework – alignment to the electricity market design (previous "mirroring")

Streamlining the legislation

Delegation/transfer of TSO tasks, question of oversight of 3rd parties taking up TSO tasks (capacity booking platforms, balancing responsible entities, etc.).

Promotion of regional cooperation: need to strengthen regional cooperation and in what areas (network operation, oversight of regional entities)?

Regulatory regime after exemptions expire (depreciation, transfer of assets into RAB)?

Gas quality harmonisation review

Any other issues?



European
Commission

STUDY I: *Enhancing liquidity by combined gas and capacity release programmes*

ISSUE:

Illiquid hubs and market power

OBJECTIVES:

Elaborate and assess measures to reduce entrenched market power

by increasing the share of short-term capacity

by releasing gas at the virtual trading points within Europe

STUDY II: *Distortive effects of non-harmonised tariffs*

ISSUE:

Sub-optimal network usage and market integration

skewed investment incentives,

tariff pancaking effects

preferential routing

OBJECTIVES:

Can harmonised tariffs framework and allowed revenues incentivise efficient network planning and operation?

STUDY III: *Licensing and regulatory requirements*

ISSUE:

Need for stable and harmonised legal and regulatory framework open to cross-border trade and new entrants

OBJECTIVES:

- Provide an inventory of licensing and regulatory requirements, including for actors active only on wholesale markets
- Identify common principles underlying various regulatory regimes, and the rationale and scope for further harmonisation

STUDY VII: Tailor made regulation

ISSUE:

In number of Member States or on number of interconnection points market performance is unsatisfactory

OBJECTIVES:

Develop assessment tools and measures which would enable to target underperforming markets/IPs.

STUDY IV: *Regulatory framework for LNG terminals*

ISSUE:

- *Diversity of regulatory regimes applying to LNG terminals in Europe*
- *Increasing competition between LNG terminals*

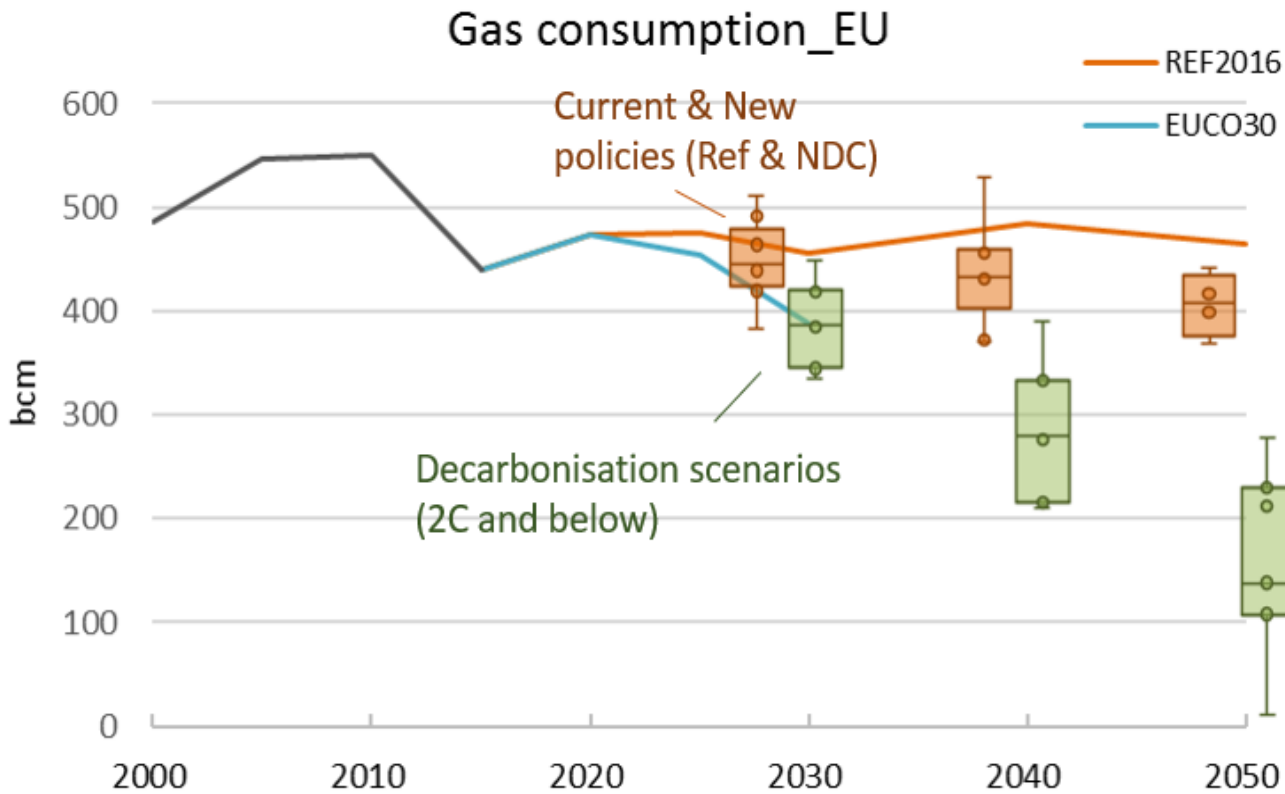
OBJECTIVES:

- Develop an assessment of regulatory regimes applicable to LNG terminals in MS
- Recommend concrete measures to upgrade them where necessary



European
Commission

Tomorrow



Projections by:
[IEA_WEO](#), [IEA_ETP](#)
[JRC_GECO](#)
[BP_Outlook 2018](#)
[Shell_Sky](#)
[Equinor_2018](#)
[IRENA_GET2050](#)
[Oko Institut_Vision EU28](#)
[Greenpeace_Energy Revolution](#)