
26th Stakeholder Group Meeting
GAS REGIONAL INITIATIVE – SOUTH SOUTH-EAST
27 November 2019,
Hotel Alwyn, Vitkova 26/151, 186 00 Prague, Czech Republic

Welcome; Approval of the Agenda and Minutes

Co-chair from CZ NRA welcomed participants on behalf of the organizing co-chairs ERU and AERS.

The agenda of the meeting has been approved.

No additional comments on the last meeting's minutes were made. Minutes were approved.

ACER GRI coordination group – updates

ACER informed about the new director of ACER who would take office from 1 January 2020. As the next point, ACER shared output from the Madrid forum. The main topic discussed gas classification as an initial precondition for decarbonisation of gas energy sector. Referring to this task, representatives of ACER introduced ACER/CEER Bridge beyond 2025 which was addressing the challenges and trends for gas market design in order to support identification of challenges and appropriate measures for the gas sector after 2025.

ACER informed meeting participants about main findings of the national tariff consultation documents. In addition to that, he presented the keystones of the Implementation monitoring report which would be due to be published until 6 April 2020. The implementation monitoring report on balancing should primarily focus on countries which had opted for the interim measures.

LNG in the region

GAZ-SYSTEM presented the latest news regarding the LNG terminal in Świnoujście. As the infrastructure had high utilization rate since commissioning the LNG Terminal expansion program has been introduced. Completion of this programme would be finished in 2023. The expansion was designed to increase regasification capacity to 7.5 bcm/y, install the second jetty, 3rd storage tank and build the LNG-to-rail loading and intermodal transport.

Update on Polish infrastructure – Baltic Pipe, PL-SK, GIPL

GAZ-SYSTEM informed about status quo of investment projects where GAZ-SYSTEM was one of the partners:

- BALTIC PIPE (2022)

- Ongoing design phase, construction works as of 2020
- 3 bcm/y towards DK
- 10 bcm/y towards PL
- LNG TERMINAL (2023)
 - Ongoing tendering for the construction works
 - Capacity upgrade: 7,5 bcm/a
- PL-SK INTERCONNECTION (2022)
 - Under construction
 - 4.7 bcm/y towards SK
 - 5.7 bcm/y towards PL
- PL-LT INTERCONNECTION (2021)
 - Ongoing tendering for the construction works
 - 2.4 bcm/y towards LT
 - 1.9 bcm/y towards PL
- FSRU IN PORT OF GDAŃSK (2025)
 - Ongoing design phase
 - Capacity (I stage): 4,5 bcm/y
- PL-CZ INTERCONNECTION
 - Incremental project proposal under preparation
 - 1 bcm/y towards CZ
- PL-UA INTERCONNECTION
 - Design phase completed in Poland
 - Project under evaluation

TRU – evaluation of the pilot project

NET4GAS presented evaluation of the TRU service. According to the presenter, positive market response to TRU confirmed great interest in cross-border capacity between the Czech Republic and Austria. Only minor, commercially not interesting volumes remained for the short-term TRU auctions (daily and monthly). Despite the positive assessment of TRU, marketing of the TRU product has been currently suspended as no new arrangements had been agreed by the relevant parties in the Czech Republic, Slovakia and Austria. Representative of EFET proposed that such project should had been subjected to a broader discussion as it might had been considered as a swap of gas flow. NET4GAS and Gas Connect Austria opposed this opinion arguing that there had existed physical flow. Eustream presented its opinion on the project and the results. According to its opinion benefits did not outweighed the cost.

Overview of gas developments in the Energy Community

Energy Community Secretariat shared information about updates in Energy Community.

Main conclusions:

- Regulation (EU) 2017/459 on Capacity Allocation Mechanisms, Regulation (EU) 2017/460 on harmonization of Tariffs (foreseen deadline by the Feb 2020).
- First annual yearly capacity allocation scheduled for 1 July 2020, auctions for short- term capacity as of March 2020
- Incremental capacity procedure from 2021

- Regulation (EU) 312/2014 on Balancing (discussion on adaptation finalised, to be adopted in Dec 2019)

Capacity value of gas storage facilities for the electricity system

Innogy Gas Storage, GIE, presented results of the study prepared for GIE. The study focused on answering question whether the gas storage would be needed for electricity generation. GIE concluded that:

- the gas storage assets allowed for the best use of available resources in well-functioning markets,
- electricity demand curtailment situations could appear when the gas storage capacity would reduce by 20%,
- the presence of the gas storage assets would prevent unnecessary investments in electricity generation from materialising,
- The presence of gas storage assets would help to decrease the variability of electricity prices.

EU Network Code application on IPs between SSE EU and EnC TSOs

AERS presented questionnaire, which would be the basic tool for monitoring. The aim of the project would be to:

- determine actual practice on IPs between SSE EU and EnC TSOs,
- point out possible difficulties in implementation,
- Make recommendations about necessary steps for NC implementation on IPs between SSE EU and EnC TSOs.

The project should facilitate NCs implementation on EU-EnC IPs impacting the both EnC TSOs and EU TSO.

Next meeting

It was agreed that the next meeting will take place Beograd. It was estimated for May 2020.