New draft EU regulation for new transportation capacity: “Reality Check” proposal for CAM NC INC Art.20(d)

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Vienna, 22.01.2016
"Process => result => test" logic

Process of Consultations/GAC (2010-2011 onwards)

One of draft results: CAM NC INC Art.20(d)

To test this draft result
Proposed aim of “Reality Check”

• “Reality check”(*) is to advance test & clarify new draft piece of EU legislation (draft CAM NC INC + NC TAR) when its proposed legal procedures are clear (ENTSOG => ACER => DG ENERGY) but before it is finally adopted by EU MSs through Comitology

• CEC Finalization of legal drafting by end January 2016

• Now is the best time for such “Reality Check” (* term proposed by S.Kampues, ENTSOG
NOT “Real” – BUT “Realistic” case!!!

• “As if...” approach in “Reality Check”:
  – “As if” CAM NC INC already in force (not since 2018, but now)
  – “As if” gas has come to Varna and need to go further onshore EU to Baumgarten (offshore route out of discussion)

• To test Art.20(d) procedure (which aim is to implement Art.13.2 of Third EU Gas Directive (“TSO shall invest...”), which is:
  – based on bottom-up “demand for capacity” approach,
  – complimentary to (i) Art.36 “exemption route”, & (ii) “TYNDP route” procedures, & to “top-bottom” approach also presented in CAM NC INC & in (ii)

• Ad Hoc group under WS2 GAC with reasonably limited participation both from Rus/GG side (acting/prospective shipper) & EU side (acting parties of the CAM NC INC procedure)
Initial steps forward (other to follow…)

• WS2 to establish Ad Hoc working group (participants)
• GP to provide illustrative figures (volumes, durations, destinations/DPs)
• EU (ENTSOG/corresp.TSOs) start to test Art.20(d) procedure
• Close cooperation between the parties within Ad Hoc working group
• Regular reporting to WS2 GAC
Gas Advisory Council RF-EU

Workstream on internal markets (WS2)

Temporary (Ad Hoc) Workstream on “Reality check” (NC TAR and Incremental proposal amendment to NC CAM)

Participants (representatives)
- Russian side – Gazprom Group
- EU side – ENTSOG, European TSOs

Duration
- February – June 2016
- Target end date – prior to the ending of Comitology on NC TAR/NC CAM INC

Scope
- Hold regular meetings with specifically tailored experts
- Test the proposed draft NCs on a realistic/hypothetical large incremental capacity project
- Hold market analysis of existing and required incremental capacities (EU-wide/regional/country)
- Clarify EU-wide and specific national regulation

Target Results
- Analyze the workability of the draft NCs, clarify technical and procedural aspects
- Set up an incremental capacity project in compliance with EU/national regulation (existing and under development)
- Present problematic issues identified during the “reality check” and their resolutions
Questions, constructive proposals, please...