

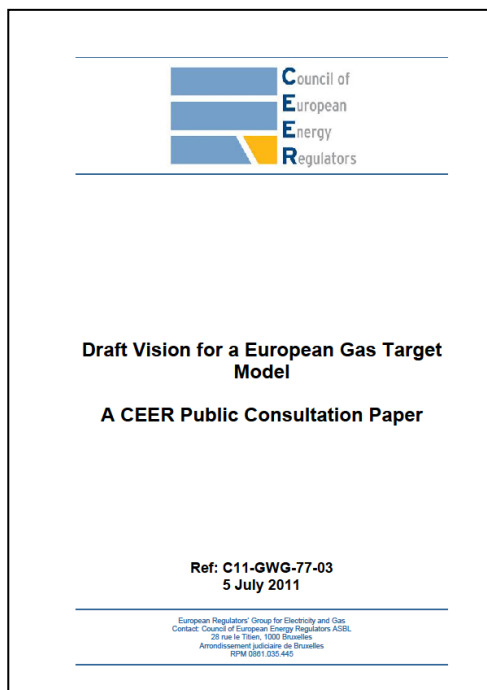
GB stakeholder workshop CEER's Gas Target Model

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CEER's Gas Target Model consultation



- September 2010 Madrid Forum invited European regulators to commence this project
- CEER call for evidence in 2010
- 5 public workshops organised by CEER (one in London)
- A range of position papers, including an Ofgem-commissioned study by LECG
- CEER consultation from 11 July to 20 September

CEER's next public workshop will take place on 14 September 2011 in Vienna. The invitation and consultation document are available at www.energy-regulators.eu

What is the gas target model?

- A general vision for the development of a European gas market by 2014
- Guidance for Framework Guidelines and (pilot) projects
- It is **not** legally-binding, however should be perceived as the overarching strategy behind the legally-binding Framework Guidelines



Related workstreams underway

**Interoperability
Framework
Guideline**

In scoping phase

**Gas Balancing
(BAL)
Framework
Guideline**

Forthcoming

**Transmission
Tariff
Structures**

In scoping
phase

**Capacity Allocation
Mechanism (CAM)
Framework
Guideline**

Published.
Network Code
forthcoming

**Congestion
Management
Procedure (CMP)
guideline**

Legislative proposal and
impact assessment
forthcoming

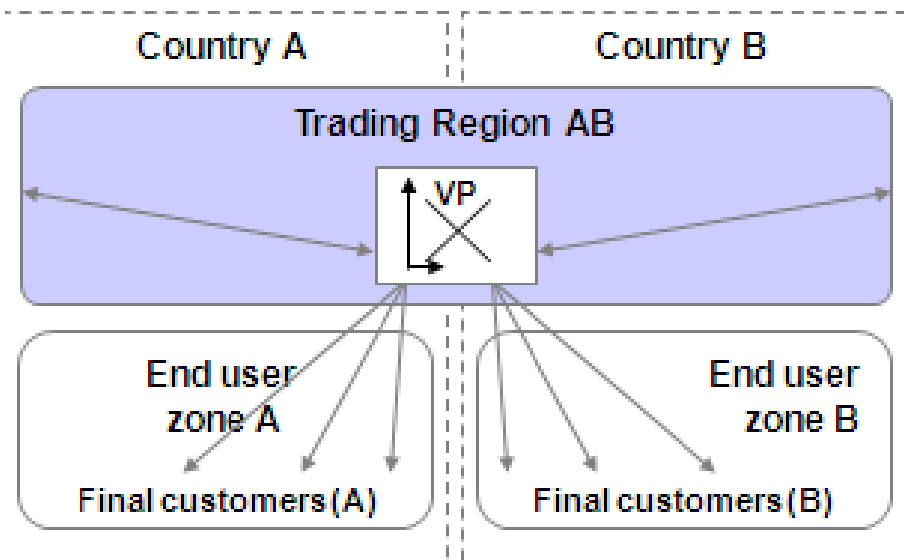
Key elements

- **Connecting functioning wholesale markets**
 - Reference to ongoing Capacity Allocation (CAM) and Congestion Management (CMP) work
 - Options for implicit allocation of capacity to be explored by TSOs and market participants
- **Secure supply patterns and economic investments**
 - ACER to develop proposals to use coordinated long-term auctions to trigger investment
- **Pricing of transmission capacity**
 - What reserve price to set for short-term capacity?
- **Interaction with electricity markets**

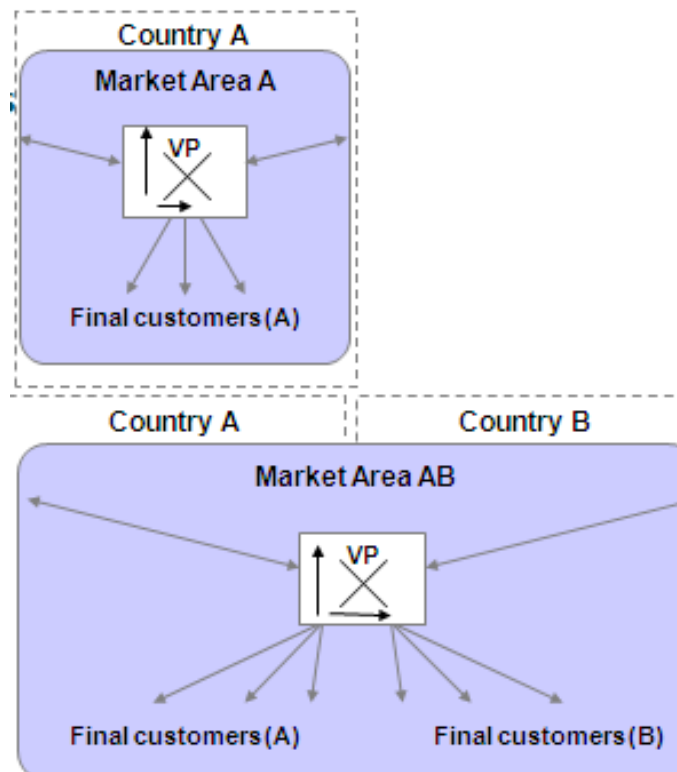
Key elements Continued....

- **Functioning wholesale markets in Europe**

The trading region model:



The market area model:



Purpose of today's workshop

for Ofgem:

- Listen to GB stakeholders, understanding different views on the Gas Target Model
- Take views on board and representing them in CEER

for stakeholders:

- Gain further understanding of the Gas Target Model, both in terms of content and procedures
- Ask questions
- Understand colleagues' views
- Voice views

Today's workshop – what is on the menu?

- Q&A on presentation – any questions?
- Break-out groups will revolve around 3 subject-areas:
 - Functioning wholesale markets
 - Connecting wholesale markets
 - Ensuring security of supply and economic investment
 - “Bonus” questions for all groups: stakeholder inclusion
- Coffee break
- Presentation of stakeholder views and discussion
- Closing remarks

Future public workshops – to note

- A CEER workshop on LNG to be held in Madrid on September 6
- An ACER workshop on interoperability to be held in Ljubljana on September 13
- A CEER workshop (with academia) on the Gas Target Model to be held in Vienna on September 14

The background of the slide is a composite image. On the left, there are rows of solar panels under a bright sun. On the right, a hand is shown holding a white document. In the bottom left corner, a blue gas burner is visible. The overall theme is energy and customer service.

ofgem

Promoting choice and value
for all gas and electricity customers