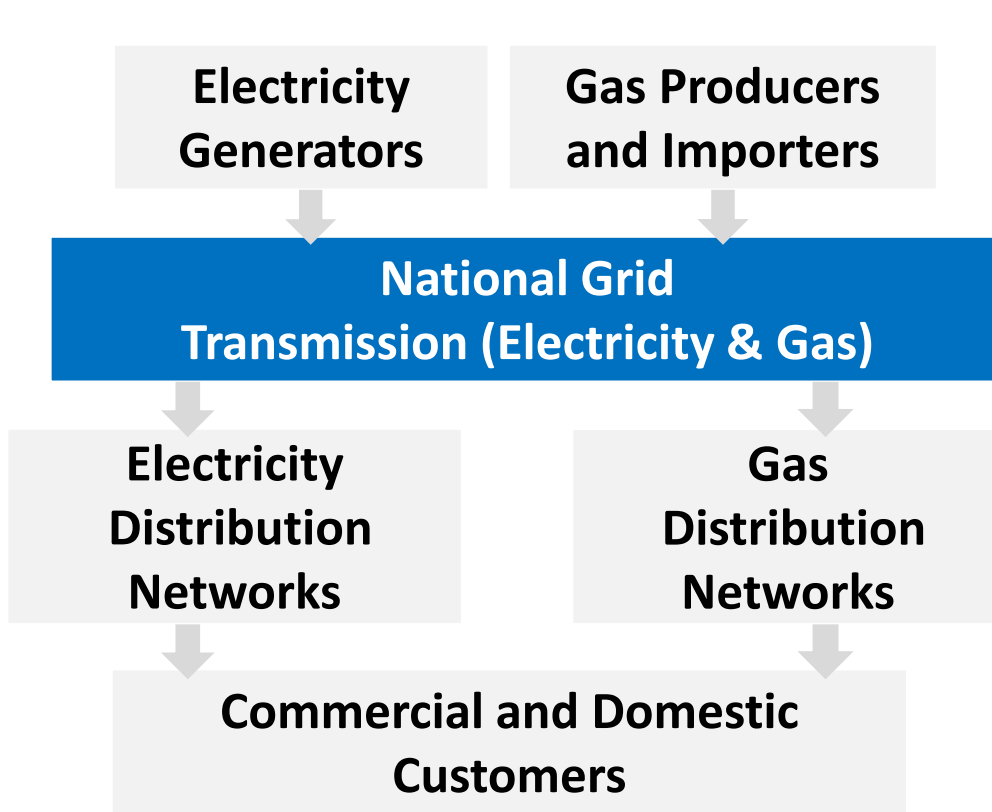


## Brexit – impact on gas market arrangements

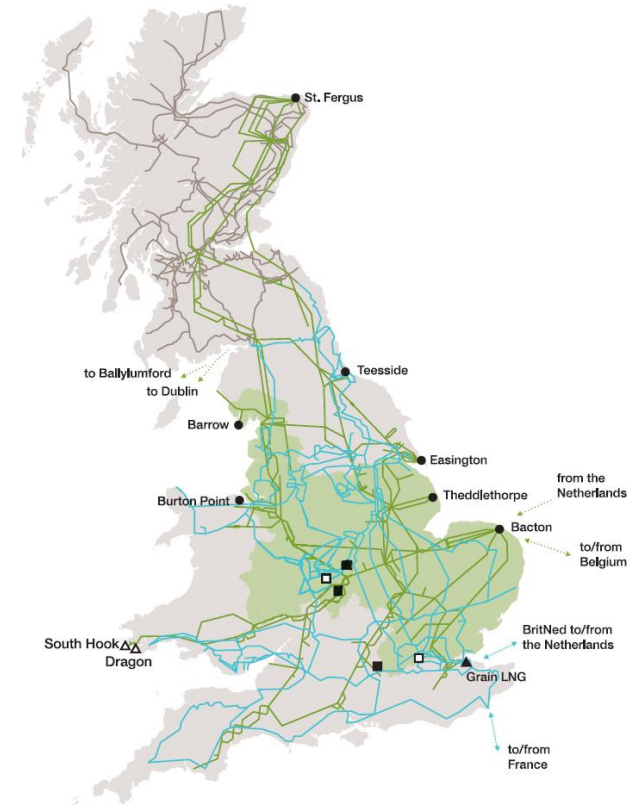


Ofgem/BEIS EU Stakeholder Meeting  
10<sup>th</sup> October 2017

# National Grid | Regulated businesses in the UK

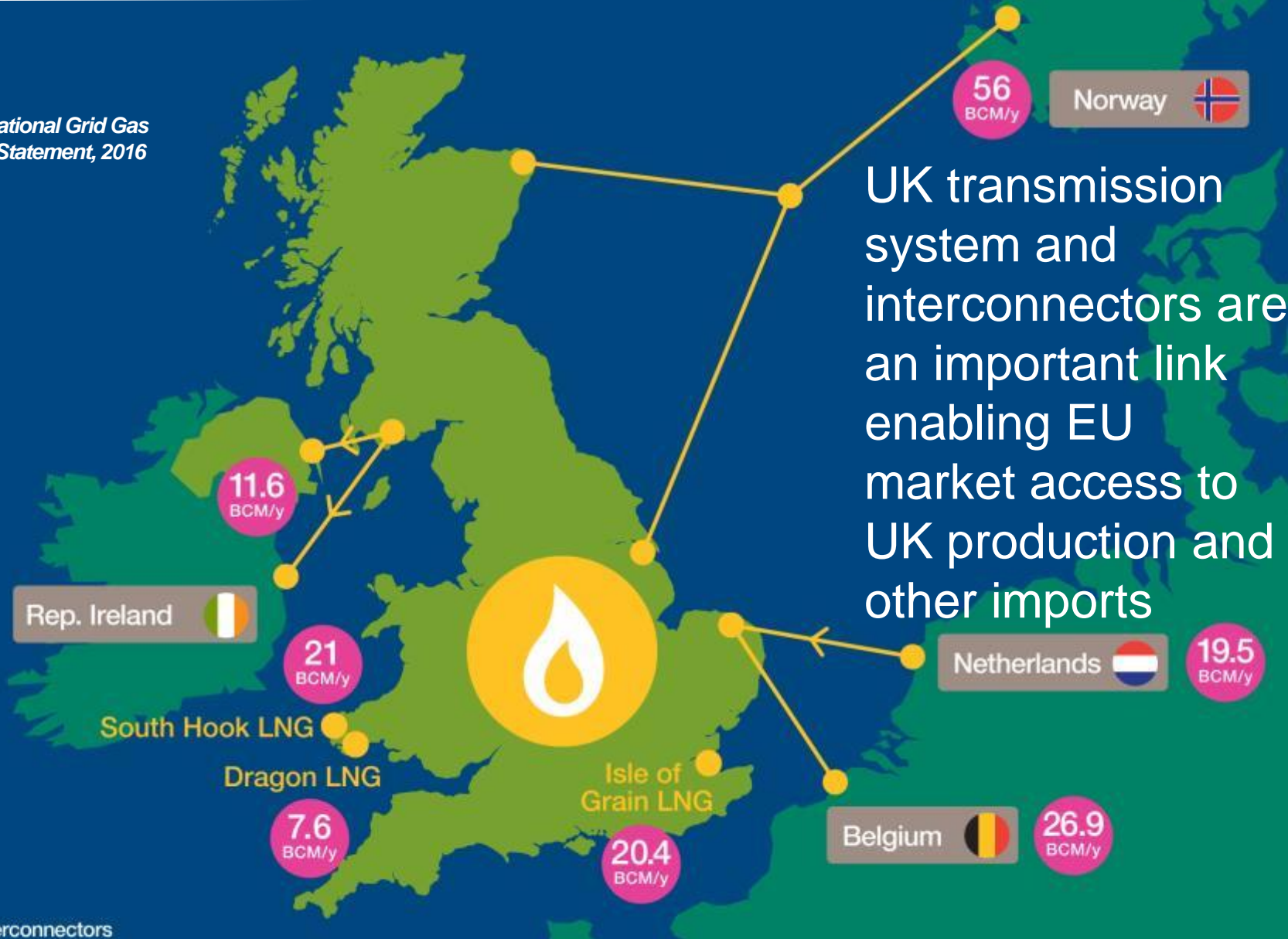


National Grid  
System Operator



# Gas interconnection with Europe

Source: National Grid Gas  
Ten Year Statement, 2016



## Benefits of mutual cooperation

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- Energy plays a key role in underpinning economic and social wellbeing
- Harmonised market arrangements make it easier to trade and enable simpler back-office systems
- Market integration and interconnection enable access to cross border services and assets
- Cooperation on security of supply arrangements
- EC estimated consumer benefit of gas market integration as €50/person/year (Booz & Co, 2013)

## Future arrangements

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- Future EU/UK arrangements are subject to negotiations
- But what we don't expect to change is...
  - UK has second largest gas demand in the EU
  - Trading arrangements on the NBP will continue as now
  - UK will remain an attractive destination for gas
- What could be affected...
  - Regulatory and market arrangements for trading across Interconnection Points

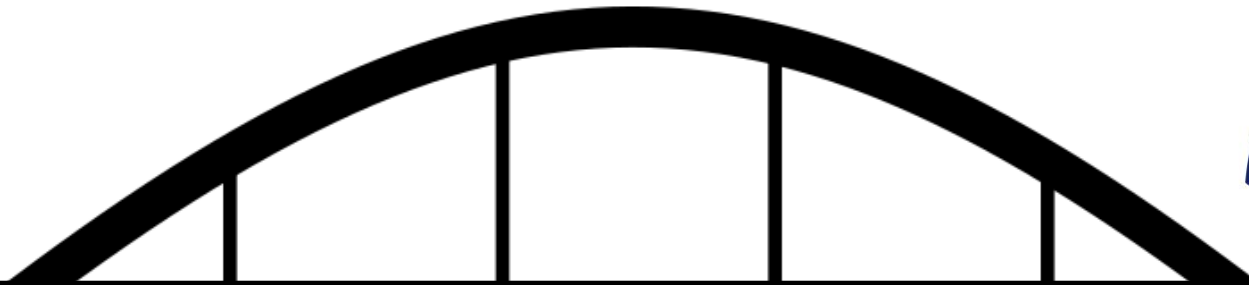
# Consistent market foundations



TSO



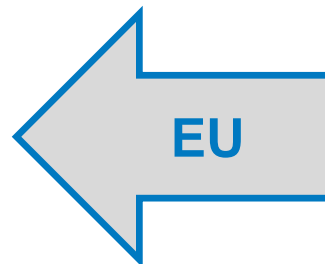
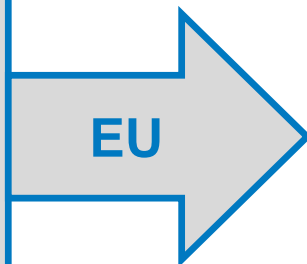
TSO



Interconnection Point

Same rules and definitions,  
with cooperation between  
Member States

EU regulations,  
directives &  
codes



EU regulations,  
directives &  
codes



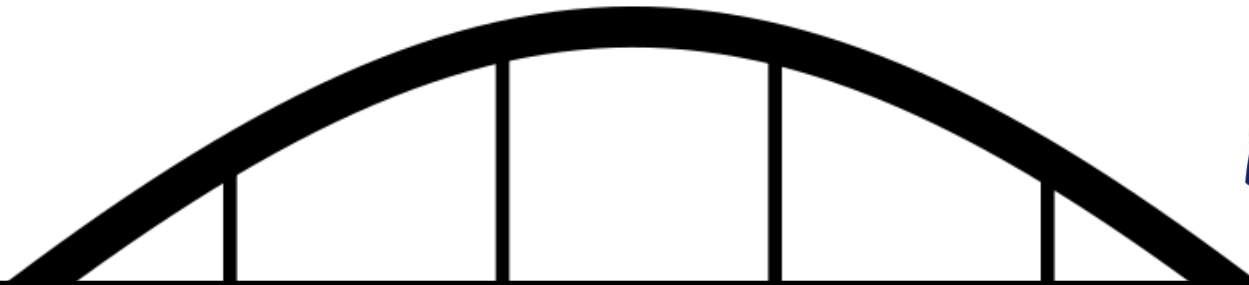
# Potential areas of concern



**TSO?**



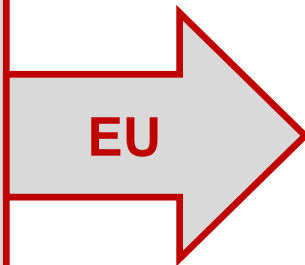
**TSO**



**Interconnection Point?**

**But more is needed to ensure  
EU and UK arrangements are  
aligned on Day 1**

**EU acquis  
copied into  
UK law**



**EU regulations,  
directives &  
codes**



## Conclusion

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- Mutual cooperation on energy should continue as it has simplified trading and benefited EU/UK end consumers
- UK gas markets will keep operating as before
- Work is needed on both sides to ensure market rules at Interconnection Points keep working



# Thank you for your attention

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