

Energy: internal market in natural gas, cross-border exchanges, access to the transmission networks

2003/0302(COD) - 10/12/2003 - Legislative proposal

PURPOSE : to set fair rules for access conditions to natural gas transmission systems taking into account the specificities of national and regional markets. **PROPOSED ACT** : Regulation of the European Parliament and of the Council. **CONTENT** : to recall, on 26th June 2003, the European Parliament and the Council adopted Directive 2003/55/EC concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC. While Directive 98/30/EC, the 1st Internal Market Directive, took the first relatively tentative steps towards the creation of the internal market for gas, the second Directive is expected to provide the necessary structural changes in the regulatory framework to tackle remaining barriers to the completion of the internal market. The Gas Directive progressively opens national gas markets to competition. However, in order to create a real integrated internal market, effective trading rules are necessary, and notably a harmonised approach on cross-border tarification for transmission tariffs and commonly implemented mechanisms for dealing with capacity allocation and congestion at borders. In order to deal with this, the Commission launched the "Madrid process", a Forum composed of the Commission, national Regulators, Member States and industry. Much progress has been made, in particular the agreement of Guidelines for Good Practice at the most recent Forum in September 2003. This agreement covers the following issues : - the criteria according to which charges for access to the network are determined, to ensure that they take fully into account the need for system integrity and reflect effectively incurred costs; - a common minimum set of third party access services - regarding notably for example the duration of transportation contracts offered and on an interruptible basis; - common rules regarding contractual congestion of networks that balance the need to free up unused capacity with the rights of the holders of the capacity to use it when necessary; - information in particular on technical requirements and available capacity; - rules ensuring that transmission system operators operate balancing systems in a manner compatible with the internal market; - common basic requirements regarding the trading of primary rights to capacity. It is now crucial to ensure that these guidelines are fully implemented by Member States and that they can be modified as experience is collected. To deal with this the Commission proposes a Regulation which sets out the basic principles of access conditions to the gas transmission network and permits the Commission, subject to a comitology procedure to adopt binding guidelines on the precise mechanism according to which the harmonised rules should be applied. Thus, the Commission takes on new executive responsibilities. The objectives pursued by the Regulation are, therefore, the rapid entry into force of cost-reflective mechanisms on charges for access to networks, a common minimum set of Third Party Access services, common rules regarding contractual congestion, information and balancing requirements as well as rules for freetrading of primary capacity rights to network capacity. It is expected that the Regulation may enter into force in late 2004/early 2005.