

TIGF

A decorative graphic on the left side of the slide, consisting of a vertical black line intersecting a horizontal black line. To the left of the intersection are three overlapping squares: a blue one at the top, a red one in the middle, and a yellow one at the bottom.

Reorganisation of gas market consultation bodies

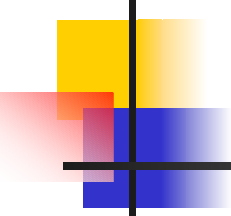
Proposal by natural gas transmission operators
Shippers' meeting on October 20, 2008

Consultation: a system geared to ongoing changes

- ◆ Constantly changing rules of access to the gas transmission systems, to promote market liberalisation
- ◆ New players moving the balances
 - More than **50 shippers** including 30 traders and upstream operators
 - A dozen producers generating electricity from natural gas (rising)
 - Industrial users directly involved in gas supply
 - Expanding roles of all parties
- ◆ Multiple and sometimes new expectations
 - Increased role of information on technical offerings,
 - More short-term services,
 - Closer links with the electricity grid and the electricity market.
- ◆ Transmission operators at the heart of the system through their investments and the services they offer
 - **Demand for coordination between transmission operators and other infrastructure operators**

Discussions between industrial users adding value to the whole system

A reorganisation needed by the market, and ratified by the regulator

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- ◆ **Pre-existing discussion forums which require improvement...**
 - Working groups headed by TSO's: balancing, releasable capacity, industrials customers at the PEG, CCGT club
 - 3CTG (Gas Transmission System Users' Consultation Committee)
 - GTG (Gas Working Group)

 - ◆ **... to meet the needs of the market**
 - Customer satisfaction survey
 - Proposal by certain shippers (letter to the CRE, presentation...)

 - ◆ **CRE ruling published on Tuesday, September 23, 2008**

Scope and objectives of the new scheme

Scope of consultation scheme



◆ **Benefits expected from the scheme**

- Introduction of a schema that produces a consensus and/or sector view through discussion of the changes in transmission rules
- Agreed choice of topics and priority
- Scheme structured and organised by shared operating rules
- Greater clarity and better medium-term management of all issues

A 2-level structure

Functions

- Maintains consistency between topics based on its medium-term view of the market
- Decides on subjects to consider and method of approach (working group, permanent groups...)
- Decides group membership
- Adds to and records results, but does not act on the content of proposals



A steering committee
Quarterly meetings

Working groups

Long Timeframe
Subjects

Medium Timeframe
Subjects

Short Timeframe
Subjects

Functions

- Handle subjects on the basis of the specifications approved by the steering committee
- Produce a summary document which activates the regulator's decision-making process

The steering committee: main principles



- ◆ **Main goals :**

- **A representative body**
- **A need of efficiency**

- ◆ **Representative associations existing for some players:**

- ◆ **Traders: EFET**
- ◆ **Producers: Oil & Gas Producers**
- ◆ **Industrial customers : UNIDEN, 3CTG**

- ◆ **No similar representation for suppliers and electricity producers**

The steering committee composition : our proposal

- ◆ **The CRE (French Energy Regulatory Commission),**
In charge of the guarantee of the neutrality and of representation

- ◆ **The economic players,**

- representatives of the traders
- representatives of the gas producers
- representatives from the industry
- representatives of the suppliers
- representatives of electricity producers

- ⇒ **With the commitment to contribute actively**


- ⇒ **With the commitment to pursuit a consensus**

- ⇒ **Only one member per company**

- ◆ **The transmission operators, with a managing role,**

- ◆ **Invited members: MEEDAT, Other infrastructure operators... (if necessary)**

Working groups set up by the steering committee

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- ◆ **Precise specifications from the steering committee : deliverables, resources and deadlines.**
 - ◆ **People appointed by the steering committee.**
 - ◆ **Pursuit of a consensus, or a least a synthesis of different “sector” views**
 - ◆ **Working methods shared by the members of the group:**
 - A plan of work, with intermediate results to be provided
 - Analyses and arguments contributed by all participants
 - Representation of the market players
 - Transparency in the conduct of work

The willingness to achieve the objectives of the current working groups



- 3CTG (Gas Transmission System Users' Consultation Committee)
- CCGT club
- “Balancing workshop”:
 - Different issues discussed within this workshop
 - Balancing, but also tariffs framework changes

Setup schedule

- First steering committee meeting on November 7th
- Agenda:
 - Adoption of the scheme rules
 - Work schedule
- Working groups start mid-November
 - Work that has not been completed within the existing groups will be taken over by the future bodies
- A consultation by e-mail on the process
 - Sent tomorrow
 - Feedback expected before October 31st