



Explanatory screening meeting  
Chapter 15 energy

Brussels, 15 May 2006

Conventional sources of energy

Gas

Directives and Regulations



# Directives and Regulations

Directive 2003/55 Gas Internal Market

Directive 2004/67 Security of Gas  
Supply

Regulation 1775/2005 – Access to  
Transmission Networks



# Directives and Regulations

Directive 2003/55 Gas Internal Market

Directive 2004/67 Security of Gas  
Supply

Regulation 1775/2005 – Access to  
Transmission Networks



# Directive 2003/55 - Gas Internal Market

## Article 1

- Covers transmission, distribution, supply and storage of natural gas + operation of market

## Article 2 Definitions

Article 3 Public Service Obligations - no universal service, social and economic cohesion, environment and climate change



# Directive 2003/55 - Gas Internal Market

Art. 4 Authorisation of new facilities – *pre-investment equal treatment*

Art. 5 Monitoring of security of supply

Art. 6 Technical Rules (EASEE Gas,  
Eurogas standards etc.)



# Directive 2003/55 - Gas Internal Market

Transmission, Storage and Liquefied Natural  
Gas (LNG)

Art. 7 Designation of system operators

Art. 8 Tasks of system operators (incl.  
balancing)

Art. 9 Unbundling – in legal form, not assets

Art. 10 Confidentiality



# Directive 2003/55 - Gas Internal Market

## Distribution and Supply

Art. 11 Designation of distribution system operators

Art. 12 Tasks

Art. 13 Unbundling

Art. 14 Confidentiality

Art. 15 Combined Operator



# Directive 2003/55 - Gas Internal Market

## Unbundling and Transparency

Art. 16 Right of access to accounts

Art. 17 Unbundling - Audit and transparency





# Directive 2003/55 - Gas Internal Market

## Organisation of Sector

Art. 18 Third Party Access, including tariffs and non-discrimination

Art. 19 Access to storage – either TPA or negotiated third party access is an option

Art. 20 Access to upstream networks – special regimes

Art. 21 Refusal of access – Public service obligations and long-term Take or pay contracts



# Directive 2003/55 - Gas Internal Market

Art. 22 Exemptions from Art. 18, 19, 20,  
25(2), 25(3) & 25(4) –

## Tests

1. Enhance competition
2. Level of risk
3. Ownership by TSO
4. Charges are specific
5. Not detrimental to competition



# Directive 2003/55 - Gas Internal Market

Art. 23 Market Opening – July 1, 2007

Art. 24 Direct Lines

Art. 25 Regulatory Control – pricing is  
principle job

Art. 26 Safeguards

Art. 27 Derogations for TOP Contracts

Art. 28 Emergent / Isolated Markets



# Directive 2003/55 - Gas Internal Market

Art. 29 Review Procedure

Art. 30 Committee

Art. 31 Reporting

Art. 32 Repeals

Art. 33 Implementation

Art. 34 Entry into force

Art. 35 Addresses



# Directive 2004/67 Security of Gas Supply

Art. 1 Objective – transparent security of supply (SoS) policies

Art. 2 Definitions

Art. 3 Policies – ‘roles and responsibilities’ & definition of roles

Art. 4 SoS for Households (winter criterion ‘1 in 20’, partial supply disruption etc)



# Directive 2004/67 Security of Gas Supply

Art. 5 Reporting

Art. 6 Monitoring (by the Commission)

Art. 7 Gas Co-ordination Group

Art. 8 National Emergency Measures

Art. 9 Community Mechanism – ‘guidance to  
MS’

Art. 10/11/12 Monitoring / Transposition /  
Entry into Force



# Regulation 1775/2005 – Access to Transmission Networks

Art. 1 – Scope – ‘non-discriminatory rules for access conditions to natural gas transmission systems’ / harmonised tariffs &/or methodologies

Art. 2 Definitions – all transmission, no transit regime

Art. 3 Tariffs – cost based + regulatory return on investment



# Regulation 1775/2005 – Access to Transmission Networks

Art. 4 – TPA Services = common network code and non-individualised services / firm capacity (that is, absolutely sure capacity) and interruptible (for a variety of reasons) / long and short term services

Art. 5 – Capacity allocation / UIOLI principle + capacity rationing on rational basis





# Regulation 1775/2005 – Access to Transmission Networks

Art. 6 Transparency

Art. 7 Balancing Rules and imbalance charges

Art. 8 Trading of capacity rights – b standardised contracts

Art. 9 Guidelines – detailed harmonised rules to facilitate cross-border trade



# Regulation 1775/2005 – Access to Transmission Networks

Art. 10 Regulatory Authorities

Art. 11 Provision of Information

Art. 12 Right of Member States (enhanced co-  
operation)

Art. 13 Penalties

Art. 14 Committee Procedure

Art. 15 Commission Report

Art. 16 Derogations (analogue to Art. 22 Gas  
Directive)

Art. 17 Entry into force