



CORREGGIO  
Consulting



CorreggioNET  
energy compliance

# REGULATORY REPORT

## Correggio Digest

November/ December 2019

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## One-stop-shop for European regulation and market rules compliance

The regulatory environment for European energy traders is becoming increasingly complex. New compliance obligations for energy traders are constantly being put in place on both a European and a national level. At the same time, compliance with national requirements is becoming increasingly difficult as the implementation of EU rules can differ across EU Member States.

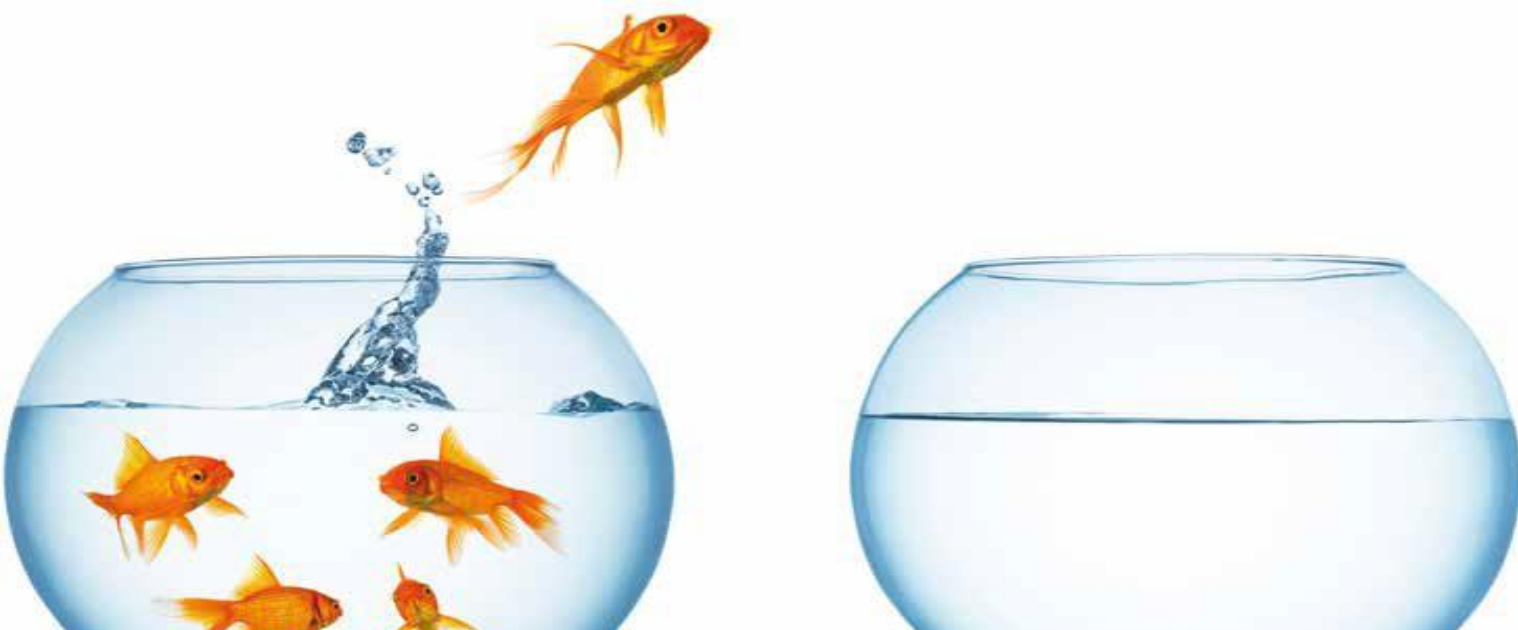
Conducting your business activities in the context of this growing and changing regulatory framework can feel like navigating through a “compliance jungle.” Setting up the necessary interfaces and processes to comply with trade reporting requirements and obtaining or extending the right shipper or supply license can feel like trying to cross that jungle without a map.

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### CN Regulatory Hotline Service

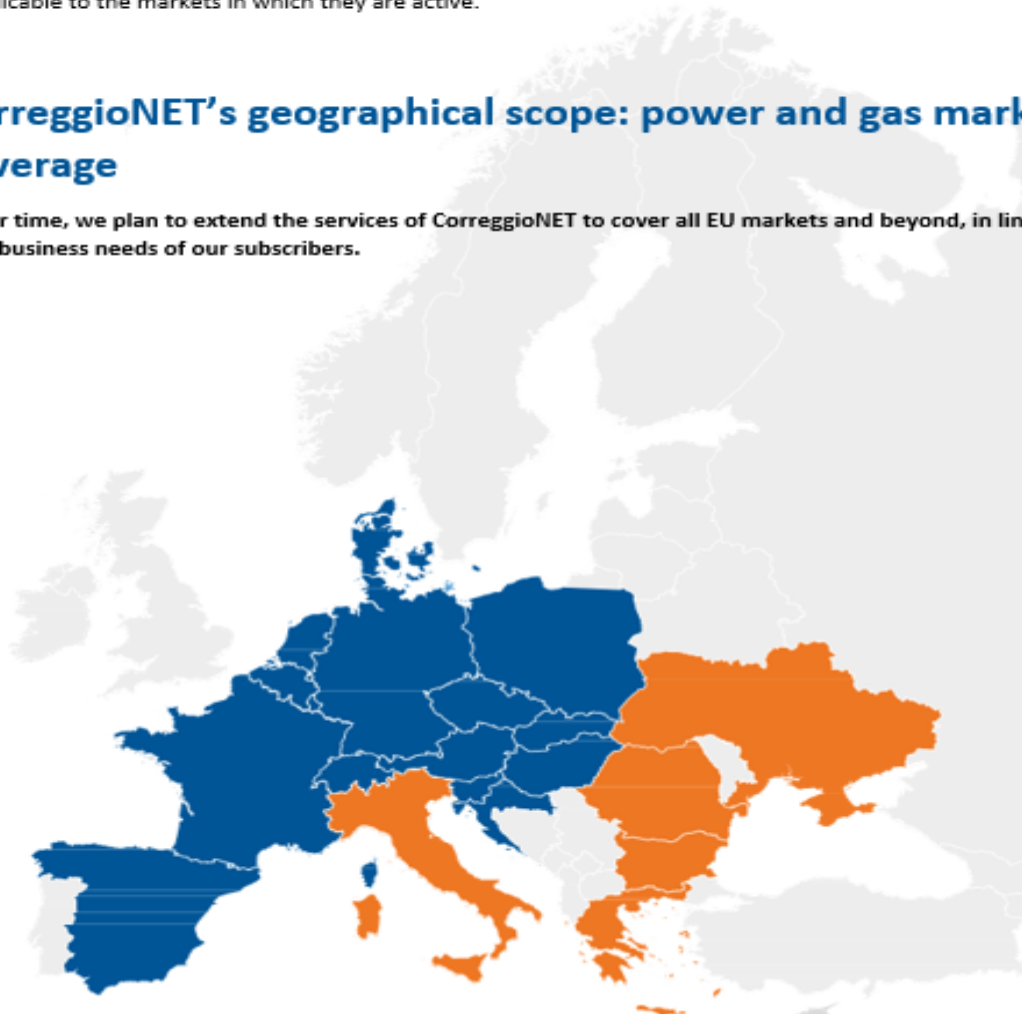
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## Contents

.....	3
<b>LETTER FROM THE EDITOR.....</b>	<b>5</b>
The Green Deal – trigger for big changes? .....	5
<b>EUROPEAN UNION .....</b>	<b>6</b>
1. Latest developments .....	6
<b>AUSTRIA.....</b>	<b>11</b>
2. Latest legislative and regulatory developments and rulings .....	11
<b>GERMANY .....</b>	<b>12</b>
3. Latest legislative and regulatory developments and rulings .....	12
<b>ITALY.....</b>	<b>13</b>
4. Latest legislative and regulatory developments and rulings .....	13
<b>POLAND .....</b>	<b>14</b>
5. Latest developments .....	14
<b>SPAIN.....</b>	<b>16</b>
6. Latest legislative and regulatory developments and rulings .....	16
<b>SWITZERLAND .....</b>	<b>17</b>
7. Latest legislative and regulatory developments and rulings .....	17

## LETTER FROM THE EDITOR

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### *The Green Deal – trigger for big changes?*

**26 November**

Dear Correggio Digest Reader,

Brexit is getting into the last round. As the UK simply ignored their Treaty obligation to nominate a Commissioner, the EU Commission is incomplete. The UK is now being sued for infringement of the Treaty.

Meanwhile, Ms Kadri Simson, the designated EU Commissioner for Energy, is getting ready to prepare the “Green Deal”. During her interviews with the EU Parliament, Ms Simson has been outspoken about her priorities. She wishes to further develop an “integrated, interconnected and properly functioning” European energy market, and aims to implement energy-efficiency and renewable energy legislation. According to Ms Simson, legislation needs to:

- Deliver sector integration;
- Deliver incentives for more investment in clean energy;
- Support regional cooperation efforts for better integrated markets;
- Enable consumers to play a role in the energy transition;
- Diversify gas supply and gas origin, in particular through an increase in LNG imports;
- Introduce a carbon border tax, as part of a review of energy taxation in general;
- Increase consumers’ role and tackle energy poverty.

The European “Green Deal” sets the course for the extension of the EU Emissions Trading Scheme (ETS) to the maritime, transport and construction sectors, as well as for the reduction of free allowances allocated to airlines over time. More specifically, when describing the future extension of the EU ETS, the Political Guidelines introduced by the European Commission's incoming President, Ursula von der Leyen, suggest that the different systems will have to converge by 2030, if the goal of carbon neutrality by 2050 is to be achieved.

Ms Simson has announced that a “Green Deal” addressing the abovementioned issues will be presented within 100 days of her taking office, which is now scheduled to take place on 1 December. Looking at this ambitious list of topics, we remain sceptic about her self-imposed 100-day timeframe. The adoption of a strategy driven by clean investment would already be a good enough reason to be proud, provided that she succeeds in securing the approval of the EU Council and Parliament.

Happy Reading!

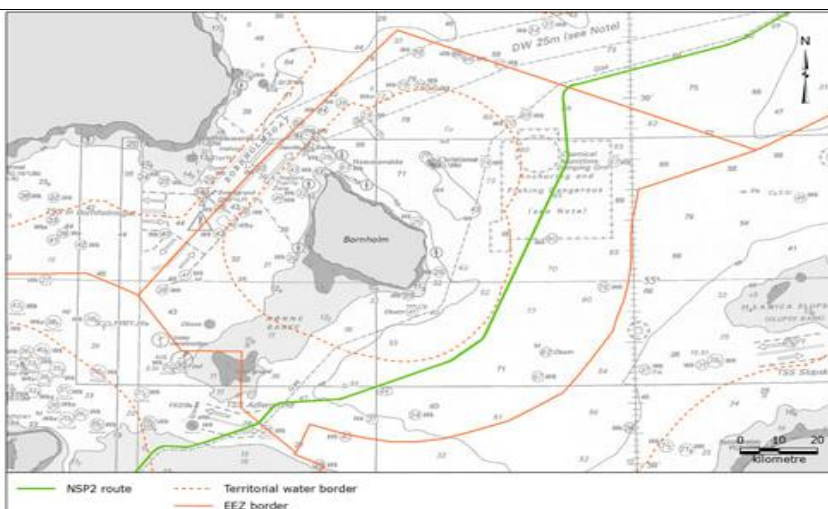
**Jan Haizmann**

Editor of Correggio DIGEST

# EUROPEAN UNION

## 1. Latest developments

Institution	Act/ decision/ ruling	Impact	Relevant date
European Commission	Trilateral talks on gas transit contract via Ukraine	<p>The October follow-up to the trilateral talks over a gas transit contract via Ukraine turned out to be more disappointing than previously anticipated (read more in our <a href="#">September edition</a>). With a concrete proposal put forward by the Commission (60 bcm annual transit contract governed by EU rules) and intense implementation works in Ukraine, the missing part of the puzzle could only be political will on the side of Russia. While the EU claims that a positive outcome of the talks is still within reach, it has become increasingly questionable whether the political pressure and curtailed NordStream transits through the European Court of Justice's decision will be sufficient (please refer back to our <a href="#">September edition</a> for further details). Denmark's Energy Agency has also recently issued a decision to grant NordStream 2 the last missing construction permit.</p> <p>As the hopes for a positive settlement dwindle, some credit needs to be given to the Russian side – while Ukraine is indeed doing its best to implement the EU rules into national law, the domestic debt for the gas consumed inside the country remains massive and keeps growing. Not surprisingly, Naftogaz intends to transfer the entire liability to the new transmission system operator (TSO). Regardless of the results of the certification procedure, however, it is naive to expect Russia to treat the new entity as a reliable business partner (which was an obvious requirement for a new contract to be concluded), if its solvency depends on state intervention from day one.</p> <p>As the trilateral discussions lengthen, Nord Stream 2 is waiting for the ECJ ruling in a dispute against the amendments to the Gas Directive (read more in our <a href="#">June edition</a>), which clearly targeted the project. Now, with all the construction permits in place, Nord Stream 2 will soon <i>go live</i> via the route depicted below, removing one of the strongest cards from EU-Ukraine's deck. It is unclear what persuaded Denmark to stop blocking the project, but it might have been a consequence of the fact that a permit for the Baltic Pipe project was also issued just recently (read more in this edition's section on Poland). Under these conditions, it would have been difficult for the Danish Agency to argue that their concerns over Nord Stream 2 were not politically-driven.</p>	30/10/2019 (date of update)



Source: Danish Energy Agency

**More information at:**

<https://www.euractiv.com/section/energy/news/nord-stream-2-takes-unusual-legal-step-against-the-commission/>

[https://ec.europa.eu/commission/presscorner/detail/en/SPEECH\\_19\\_6178](https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_19_6178)

<https://en-press.ens.dk/pressreleases/permit-for-the-nord-stream-2-project-is-granted-by-the-danish-energy-agency-2937696>

European Securities and Markets Authority (ESMA)	Consultation on MiFID II review report on position limits and position management, as well as on draft Technical Advice on weekly position reports	<p>On 5 November, the European Securities and Markets Authority (ESMA) launched a consultation on their Markets in Financial Instruments Directive (MiFID II) review report on position limits and position management, as well as on a draft Technical Advice on weekly position reports. The consultation is a follow-up on their consultation on position limits and position management from May 2019 and will contribute to the advice that ESMA is due to submit to the European Commission by 31 March 2020. Art. 90(1) of MiFID II requires the Commission to present to the European Parliament and the Council a report assessing the impact of the position limits regime on liquidity, market abuse and orderly pricing and settlement conditions in commodity derivatives markets. The technical advice that will be prepared by ESMA will serve as a basis for this report.</p> <p>Following a description of the position limits and position management regimes and a discussion of ESMA's views regarding their impact, the consultation goes on to asking a series of questions, including whether the scope of the position limits regime should be reduced to critical contracts only and what criteria should be used to identify such contracts. Limiting the position limits regime to critical contracts is seen as a positive proposal by exchanges and market participants, as it would help to facilitate the development of new and illiquid</p>	Consultation deadline: 08/01/2020
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		<p>contracts and it would also align better the EU regime with the US position limits regime.</p> <p>Furthermore, ESMA is gathering comments on whether the 'same contract' provisions need to be revised; whether financial counterparties should benefit from an exemption for mandatory liquidity provision and a limited hedging exemption; and whether measures need to be put in place to foster convergence in position management controls.</p> <p>Importantly, the consultation also contains a proposal to reconsider the C(6) carve-out (the exclusion of <i>must be physically-settled</i> wholesale energy products traded on OTFs (organised trading facilities) from the scope of financial instruments, as defined in MiFID II, Annex I, Section C(6)). Not an issue traditionally discussed within the context of the position limits regime, it has been linked to the consultation with the argument that under the current framework, the same REMIT contracts (wholesale energy products as defined in the Regulation on Wholesale Energy Market Integrity and Transparency, REMIT) are subject to different rules, depending on where they are traded, with the C6 carve-out contracts remaining outside the scope of the position limits regime, for instance. Furthermore, ESMA states that it shares the concerns of some respondents to the previous consultation that this has led to a shift of trading from regulated markets and MTFs (multilateral trading facilities) to OTFs, which, ESMA continues, creates an uneven playing field among trading venues.</p> <p>This proposal has been met with considerable concern by the industry, due to its serious potential implications for the scope of REMIT and the costs of hedging for both energy market participants and real economy firms. It is to be seen what the consultation responses will bring in terms of arguments, but the response rate is expected to be high.</p> <p>The second part of the consultation deals with proposed revisions to the ESMA Technical Advice on the delegated acts to be developed under Art. 58(6) of MiFID II on position reporting by category of position holder. MiFID II requires trading venues to publish a weekly report with the aggregate positions held by different categories of persons in a commodity derivative, emission allowance or emission allowance derivative, when both the number of position holders and the size of open position in a specific instrument exceed a minimum</p>	
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		threshold. ESMA suggests that the thresholds have not fully delivered on the objective of providing market transparency to stakeholders and is, therefore, proposing to revise them.	
<b>More information at:</b> <a href="https://www.esma.europa.eu/press-news/consultations/consultation-mifid-ii-review-report-position-limits-and-position-management">https://www.esma.europa.eu/press-news/consultations/consultation-mifid-ii-review-report-position-limits-and-position-management</a>			
European Securities and Markets Authority (ESMA)	Consultation on MAR review report	<p>This consultation was launched to help ESMA in the development of technical advice to the European Commission on the performance of the European framework for the prevention and detection of market abuse in financial markets. Article 38 of the Market Abuse Regulation (MAR) requires the Commission to present a report to the European Parliament and the Council, assessing various aspects of the regime.</p> <p>Notably, the consultation looked at different aspects of the inside information regime, such as the definition itself (whether market participants experience difficulties in identifying correctly what constitutes inside information; whether the definition of inside information is sufficient to combat market abuse; and whether further alignment between the general definition and the definition for commodity derivatives would be desirable), delayed disclosure of inside information, and the usefulness and user-friendliness of insider lists.</p> <p>The consultation also covered a range of other issues, such as whether common rules on the introduction of administrative sanctions for insider dealing and market manipulation in all Member States need to be introduced; whether the scope of the regime should be extended to spot foreign exchange (FX) contracts; whether a cross-market order book surveillance framework should be introduced; and whether the scope of the benchmarks provisions needs to be reviewed. The issue of cross-border enforcement of sanctions was also discussed.</p> <p>Based on the received feedback, in the spring of 2020 ESMA will develop the final review report.</p>	Consultation closed on 29/11/2019
<b>More information at:</b> <a href="https://www.esma.europa.eu/press-news/esma-news/esma-consults-mar-review">https://www.esma.europa.eu/press-news/esma-news/esma-consults-mar-review</a>			
European Securities and Markets Authority (ESMA)	Consultation on draft Technical Advice on commercial terms for providing clearing services	The consultation deals with specifying the conditions under which the commercial terms for the provision of central clearing services are to be considered fair, reasonable, non-discriminatory and transparent (FRANDT), as required by Art. 4(3a) of the European Market Infrastructure Regulation, revised under the EC regulatory fitness initiative (EMIR REFIT). The comments will feed into the final	Consultation closed on 02/12/2019

	under EMIR (FRANDT)	<p>technical advice, which will be submitted by ESMA to the Commission.</p> <p>The consultation provided information on clearing incentives and identified issues with access to clearing services. It discussed the cost of clearing and described the FRANDT principles. Following this discussion, ESMA presented their draft technical advice on how to specify the conditions under which the commercial terms are to be considered fair, reasonable, non-discriminatory and transparent, which is based on four criteria listed in subparagraph 3 of Article 4(3a) of EMIR REFIT. The initiative is a good step towards improving access to central clearing services and has been welcomed by the industry. ESMA is expected to submit its technical advice to the Commission in Q1 2020.</p>	
<p><b>More information at:</b>  <a href="https://www.esma.europa.eu/press-news/consultations/consultation-draft-technical-advice-commercial-terms-providing-clearing">https://www.esma.europa.eu/press-news/consultations/consultation-draft-technical-advice-commercial-terms-providing-clearing</a></p>			
Agency for the Cooperation of Energy Regulators (ACER)	Update to the 4th edition of the ACER REMIT Guidance	<p>On 15 October, ACER issued an update to its Guidance on the application of the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT). The update concerns Section 6.4.1(i) of the Guidance, covering examples of actions which may constitute market manipulation under REMIT by artificially causing prices to be at a level not justified by normal market forces.</p> <p>It aims to clarify the difference between market outcomes that are the result of the interplay of supply and demand, such as scarcity, and those that are the result of market manipulation. In particular, the focus is on the case of economic withholding of electricity generation capacity, defined as “keeping available generation capacity from being competitively offered on the wholesale electricity market, even though offering it competitively would lead to profitable transactions at the prevailing market prices.”</p> <p>The guidance is a useful indication of how regulators understand and interpret the respective REMIT provisions. However, as it has been the case with the rest of the recent guidance on market manipulation (read more in our <a href="#">March 2018</a> and <a href="#">June 2017</a> editions), the update was published without any prior consultation with market participants.</p>	Date of update publication: 15/10/2019
<p><b>More information at:</b>  <a href="https://documents.acer-remit.eu/wp-content/uploads/4th-Edition-ACER-Guidance-updated.pdf">https://documents.acer-remit.eu/wp-content/uploads/4th-Edition-ACER-Guidance-updated.pdf</a></p>			

# AUSTRIA

## 2. Latest developments

Institution	Act/ decision/ ruling	Impact	Relevant date
Energy regulator (E-Control)	Network planning (KNEP) and Long-term planning (TYNDP) consultations	<p>Pursuant to Section 63(1) of the Gas Act 2011 (GWG 2011), the Market Area Manager is required to work together with the transmission system operators (TSOs) to draw up once per year a coordinated network development plan (KNEP). The plan also needs to take into consideration long-term planning (LFP).</p> <p>Technical and economic appropriateness, the interests of market participants and coherence with the Community-wide ten years network development plan (TYNDP) have to be taken into consideration and analysed in developing network expansion tools.</p> <p>Pursuant to Section 64(2) GWG 2011, before approving the network development plan, E-Control has to consult the organisation representing network users' interests.</p> <p>Comments can be sent to: <a href="mailto:netzausbauplanung-gas@e-control.at">netzausbauplanung-gas@e-control.at</a> by 03/12/2019.</p>	Consultation deadline: 03/12/2019
Energy regulator (E-Control)	Gas Market Model Ordinance 2020	<p>E-control notified the market that the Gas Market Model Ordinance 2020 (GMMO) will enter into force on 1 October 2021.</p> <p>The Balancing Group Coordinator (Bilanzgruppenkoordinator) will be formally appointed in January 2020 (section § 85 GWG 2011). Questions concerning the formal selection process of the Group Coordinator can be addressed to <a href="mailto:BKO-Ernennung@e-control.at">BKO-Ernennung@e-control.at</a> by 29/11/2019.</p>	Entry into force: 01/10/2021 Questions 29.11.2019
<p><b>More information at:</b>  <a href="https://www.e-control.at/en/recht/aktuelle-begutachtungsentwuerfe#p_p_id_com_liferay_journal_content_web_portlet_JournalContentPortlet_INSTANCE_a055gpRFutQk">https://www.e-control.at/en/recht/aktuelle-begutachtungsentwuerfe#p_p_id_com_liferay_journal_content_web_portlet_JournalContentPortlet_INSTANCE_a055gpRFutQk</a></p>			

# GERMANY

## 3. Latest developments

Institution	Act/ decision/ ruling	Impact	Relevant date
Federal Ministry of Economic Affairs and Energy (BMWi)	Blockchain Strategy Paper	<p>The Federal Ministry of Economic Affairs and Energy has recently released a Blockchain Strategy Paper, a fintech document which discusses crypto tokens and debt bonds. The paper also makes a specific reference to energy trading - it discusses blockchain applications relevant for energy traders (2.1) and a smart contract register (3.8). The paper focuses on the following:</p> <ul style="list-style-type: none"> <li>• Stimulate blockchain technology innovation in the financial sector;</li> <li>• Secure blockchain project funding through a clear structure for investment;</li> <li>• Promote innovation and investment in a stable regulatory framework enabling fair competition;</li> <li>• Deepen cooperation within the EU digital common market and foster international cooperation to guarantee the security and safety of IT networks.</li> </ul>	Date of publication: 24/10/2019
<b>More information at:</b> <a href="https://www.dena.de/fileadmin/dena/Publikationen/PDFs/2019/dena-Studie_Blockchain_Integrierte_Energiewende_DE4.pdf">https://www.dena.de/fileadmin/dena/Publikationen/PDFs/2019/dena-Studie_Blockchain_Integrierte_Energiewende_DE4.pdf</a>			
Energy regulator (BNetzA)	7 Chamber, BNetzA	<p>BNetzA has published the impact assessment carried out by TSOs of the introduction of within-day capacity bookings (subsequent § 11 Abs. 3 GasNZV - Einführung untertägiger Kapazitäten). The report finds that within-day capacity bookings have not changed substantially booking behavior and the impact is limited.</p> <p>Market participants can send their observations to: <a href="mailto:Kapazitaeten.Gas@bnetza.de">Kapazitaeten.Gas@bnetza.de</a> by 16/12/2019/</p>	Deadline for comments: 16/12/2019
<b>More information at:</b> <a href="https://www.bundesnetzagentur.de/DE/Service-Funktionen/Beschlusskammern/1_GZ/BK7-GZ/2019/2019_0001bis0999/2019_0001bis0099/BK7-19-0097/BK7-19-0097_Verfahrenseinleitung.html?nn=361064">https://www.bundesnetzagentur.de/DE/Service-Funktionen/Beschlusskammern/1_GZ/BK7-GZ/2019/2019_0001bis0999/2019_0001bis0099/BK7-19-0097/BK7-19-0097_Verfahrenseinleitung.html?nn=361064</a>			
Energy regulator (BNetzA)	Consultation on the use of blockchain technology in the energy sector	<p>On 18 November, BNetzA launched a consultation on the use of blockchain technology in the energy sector. At an open hearing, BnetzA presented the technology as a transparent cryptographic solution to manage and store energy transactions.</p> <p>Market participants can participate in this consultation by 15/01/2020.</p>	Consultation deadline: 15/01/2020

TSOs (TenneT, 50Hertz, Amprion, and Transnet BW)	Changes to intraday auction	<p>German transmission system operators (TSOs) made a request to EPEX Spot to advance the timing of the 15min intraday auction from 15:00 CET (D-1) to 14:00 CET (D-1). Advancing the timing of the auction would mean that the auction will no longer be part of the intraday process, but rather of the day-ahead process, which ends at 14:30 CET on D-1.</p> <p>The main objective of the current intraday opening auction at 15:00 CET is to allow the formation of a transparent reference price for the intraday 15-minute contracts. This requires that there should be proper liquidity in the auction and that the auction should be fully part of the intraday process.</p> <p>Advancing the timing could have a negative impact on liquidity, as many market participants (both with and without physical assets) would no longer be able to participate in the auction. Market participants with physical assets in Germany would also have difficulties to take part in the earlier auction, as there would not be sufficient time to recalculate their position, especially if day-ahead clearing results are delayed.</p>	To be monitored
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## ITALY

### 4. Latest developments

Institution	Act/ decision/ ruling	Impact	Relevant date
Council of Ministers	Climate Decree	The Decree is part of the "Green new Deal" Program, which, among other aspects, includes incentives for sustainable mobility.	Entry into force: 15/10/2019
<b>More information at:</b> <a href="https://www.gazzettaufficiale.it/eli/id/2019/10/14/19G00125/sq">https://www.gazzettaufficiale.it/eli/id/2019/10/14/19G00125/sq</a>			
Energy regulator (ARERA)	ARERA Resolution	ARERA accepted the request of the Italian Transmission System Operator (TSO) Terna to postpone the implementation of TERRE (Trans European Replacement Reserve Exchange) to 15 January 2021 for Italy.	Entry into force: 30/10/2019
<b>More information at:</b> <a href="https://www.arera.it/it/docs/19/438-19.htm">https://www.arera.it/it/docs/19/438-19.htm</a>			

Energy regulator (ARERA)	ARERA Resolution	ARERA approved a proposal to update the Storage Code, which would allow the largest gas storage operator in Europe, Stogit, to hold auctions on the PRISMA capacity booking platform, starting from the 2019/2020 thermal year.	Entry into force: 09/10/2019
<b>More information at:</b> <a href="https://www.arera.it/it/docs/19/407-19.htm">https://www.arera.it/it/docs/19/407-19.htm</a>			
Energy regulator (ARERA)	ARERA Resolution	ARERA approved the Gas Storage Regulation for the 5 <sup>th</sup> period (2020-2025).	Entry into force: 23/10/2019
<b>More information at:</b> <a href="https://www.arera.it/it/docs/19/419-19.htm">https://www.arera.it/it/docs/19/419-19.htm</a>			
TSO (Terna)	Capacity Market auctions	<p>The TSO published the results of the first auction of the Italian capacity mechanism, with the premium closing at the cap of 3 3000 €/MW/Year for exiting capacity and 7 5000 €/MW/Year for new capacity.</p> <p>A few market participants appealed against the Ministerial Decree, like in the UK.</p>	Second auction scheduled for 28 November
<b>More information at:</b> <a href="https://www.terna.it/it/sistema-elettrico/pubblicazioni/news-operatori/dettaglio/esiti-asta-madre-2022-mercato-della-capacita">https://www.terna.it/it/sistema-elettrico/pubblicazioni/news-operatori/dettaglio/esiti-asta-madre-2022-mercato-della-capacita</a>			

## POLAND

### 5. Latest developments

Institution	Act/ decision/ ruling	Impact	Relevant date
TSO (Gaz-Systems)	Results of initial incremental capacity process	<p>Gaz-System has recently published the results of the initial incremental capacity process for borders with neighbouring Member States. The results signal market interest in greater export capacities towards Germany and the Czech Republic, as well as in firm capacity offerings on the reverse flow from Germany at the Mallnow interconnection point (IP).</p> <p>In the meantime, Ukraine made the surprising statement that Poland will soon be ready to export more than 6 bcm of gas to Ukraine. The Polish TSO responded that current capacities are less than a third of that amount and no investment decisions have been taken yet.</p>	27/11/2019 (date of update)

		<p>Growing interest in export capacities is a consequence of the ongoing investment in the Baltic Pipe project that will connect Poland directly with Norway. The Danish side issued its consent for the project on 25 October, while just ten days earlier, Poland's former incumbent, PGNiG, had announced that they had discovered new gas sources in the Norwegian sea, pushing their future output potential to 2.5 bcm/year as of 2022.</p> <p>The Baltic Pipe project is becoming increasingly appealing as the disputes between the EU and Russia intensify (read more in the EU section of this edition: "Trilateral talks on gas transit contract via Ukraine"). It is not clear yet in which directions the network will eventually expand – expansions towards the Czech Republic and Lithuania have strong political backing, but the other IPs (requiring additional investment) remain an open question. In any case, what was originally seen as a backup supply route for the Central South-Eastern European region (read more in our <a href="#">February 2018 edition</a>) may end up having commercial value after all. Too bad that the main (if not only) beneficiary of this new supply route will be PGNiG itself, as the Polish gas market remains largely monopolised (read more in our <a href="#">September 2017 edition</a>). This, however, may change - on 27 November the Commission issued a reasoned opinion against storage obligations, marking the next step in the infringement procedure.</p>	
<p><b>More information at:</b>  <a href="http://en.pgnig.pl/news/-/news-list/id/pgnig-a-new-oil-and-gas-discovery-in-the-norwegian-sea/newsGroupId/1910852">http://en.pgnig.pl/news/-/news-list/id/pgnig-a-new-oil-and-gas-discovery-in-the-norwegian-sea/newsGroupId/1910852</a>  <a href="https://www.gaz-system.pl/centrum-prasowe/aktualnosci/informacja/artykul/203050/">https://www.gaz-system.pl/centrum-prasowe/aktualnosci/informacja/artykul/203050/</a>  <a href="https://www.gaz-system.pl/centrum-prasowe/aktualnosci/informacja/artykul/203048/">https://www.gaz-system.pl/centrum-prasowe/aktualnosci/informacja/artykul/203048/</a>  <a href="https://www.gaz-system.pl/centrum-prasowe/aktualnosci/informacja/artykul/203046/">https://www.gaz-system.pl/centrum-prasowe/aktualnosci/informacja/artykul/203046/</a></p>			
TSO (PSE)	Announcement of concept of new electricity balancing market	On 9 November, PSE, Poland's electricity transmission system operator (TSO), announced the concept of the new balancing market to adjust the system to the provisions of both the Electricity Balancing Guideline (EBGL) and the Clean Energy Package (CEP). The concept revises the way balancing is to be performed in Poland, cancelling all existing arrangements for balancing services and moving towards market-based balancing.	10/11/2019 (date of update)

		<p>The concept introduces Balancing Service Providers (BSPs) next to the Balancing Responsible Parties as the two types of participants in the balancing market. Balancing is to be performed for every 15 minutes of a day and the maximum imbalance price has been set at 50 000 PLN/MWh (approx. 11 765 EUR/MWh), creating a strong incentive for market participants to match supply and demand. If the balancing mechanism is revised along the lines of the concept paper, Polish electricity balancing would be improved substantially, with much stronger reliance on the market and more self-dispatching made possible.</p> <p>The only concern is the costs that the changes may bring to users, given the tight deadline – the concept is to be built into the Transmission Network Code (TNC) of PSE by the end of the year and then submitted for URE's approval. This would mean that system users would need to readjust to this major overhaul of the balancing market by the end of next year.</p>	
<p><b>More information at:</b>  <a href="https://www.pse.pl/-/informacja-w-sprawie-procesu-konsultacji-koncepcji-zmian-zasad-funkcjonowania-rynku-bilansujacego">https://www.pse.pl/-/informacja-w-sprawie-procesu-konsultacji-koncepcji-zmian-zasad-funkcjonowania-rynku-bilansujacego</a></p>			

## SPAIN

### 6. Latest developments

Institution	Act/ decision/ ruling	Impact	Relevant date
Ministry of the Presidency (Ministerio de la Presidencia, Relaciones con las Cortes e Igualdad)	Real Decreto-Ley (RDL) 1/2019	Urgent measures - RDL 1/2019 - to bring the competencies of the Spanish energy regulator in line with the requirements of EU law (in particular, Directives 2009/72/EC and 2009/73/EC, concerning common rules for the internal market in electricity and natural gas), entered into force on 13/01/2019. RDL 1/2019 was enacted as a result of the incorrect transposition of both directives into Spanish legislation, as concluded by the European Commission in their reasoned opinion, issued in	Entry into force: 13/01/2019, with full powers for CNMC from 01/01/2020

		September 2016.  CNMC now has a full set of competencies, which has resulted in increased regulatory activity.	
<b>More information at:</b> <a href="https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-315">https://www.boe.es/diario_boe/txt.php?id=BOE-A-2019-315</a>			
Energy regulator (CNMC)	Proposed regulations on: LNG, gas storage and capacity access; Gas balancing; Gas tariffs; Electricity market design; Intraday timings; Infrastructure remuneration; Electricity balancing and congestion management; TERRE	<p>CNMC has submitted 14 draft regulations to the Spanish Council of the State with the observations of all stakeholders involved.</p> <p>Since this is the first time that the Council will prepare a report on a regulation developed by CNMC, the outcome is uncertain. They will study carefully whether the proposals are compliant with Spanish legislation and the Constitution.</p> <p>The report of the Council is not binding (it is only a compulsory stage) and it will not prevent the approval of the regulations. Yet, the opinion of the Council can be used by market participants and the Government to appeal against the proposals, once they have been approved. Therefore, it can be expected that CNMC will take into serious consideration the opinion of the Council. This may delay the approval of the rules and could even result in restarting the drafting process.</p>	Entry into force: 2020
<b>More information at:</b> <a href="https://www.cnmec.es/prensa/9-proyectos-circulares-sector-electico-gas-20191031">https://www.cnmec.es/prensa/9-proyectos-circulares-sector-electico-gas-20191031</a>			

## SWITZERLAND

### 7. Latest developments

Institution	Act/ decision/ ruling	Impact	Relevant date
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Federal Council (Bundesrat)	Draft Gas Market Act (GasVG - Bundesgesetz ueber die Gasversorgung)	<p>On 30 October, the Swiss Federal Council launched a consultation on the first Gas Supply Act. In 2017, the International Energy Agency (IEA) recommended that Switzerland should deregulate its gas market, underlining the complete lack of competition.</p> <p>In line with this recommendation, the Swiss Government has decided to partially liberalise the market for industrial customers, and to establish an entry-exit model and a Swiss gas hub. The market shall be supervised by an independent regulatory authority - EnCom (instead of ElCom, the current electricity market regulator), which will be responsible for data collection.</p> <p>The draft suggests that Switzerland plans to copy-paste the EU regulatory model. The document is available here:  <a href="https://www.news.admin.ch/news/message/attachments/58820.pdf">https://www.news.admin.ch/news/message/attachments/58820.pdf</a></p> <p>The consultation will close on 14/02/2020.</p>	Consultation deadline: 14/02/2020
<p><b>More information at:</b>  <a href="https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-76849.html">https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-76849.html</a></p>			



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