



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**Market Opening Programme:
Harmonisation of Implementation**

Response to Bord Gáis paper entitled:

**“Proposal for co-ordination of ongoing reform
programmes in the Irish gas market
27 November 2003”**

Background

The European Directive 2003/55/EC requires that the Irish natural gas market be open to competition for all but domestic customers from July 2004. The Gas Market Opening Working Group (GMOWG) is in the final stages of the detailed design of the business processes for this next level of market opening. Market rules will be operational for the July 2004 deadline to facilitate customer change of supplier.

The Commission is also currently undertaking a body of work that will see the Irish onshore transportation regime change from point-to-point to entry/exit. The implementation date for these rules and the systems that underpin these rules is 1 October 2004.

Bord Gáis has brought to the Commission proposals to harmonise the delivery schedules of both of these programmes. The Commission and Bord Gáis recognise the need for such harmonisation and the presence of interdependencies between these two programmes. These proposals are set out in the accompanying document: "Proposal for co-ordination of ongoing reform programmes in the Irish gas market".

Bord Gáis Proposal

The Bord Gáis proposal, for which it is seeking Commission approval, is:

- Endorsement of an implementation approach in which the next tranche of customers become legally eligible in July 2004, with this market opening supported by interim processes and systems until the full suite of market opening systems are implemented (in parallel with systems to support entry/exit and wider gas market changes) in October 2004;
- To determine a preferred solution for the interim systems and processes to support this market opening between July and October 2004; and
- To establish a high level steering group to improve coordination of industry implementation activities.

Commission Response

The Commission welcomes Bord Gáis' proposal and agrees with the proposals in principle.

Harmonisation of Implementation Programme delivery dates for Market Opening and Change to Entry/Exit:

The next level of market opening occurs in July 2004 thereby giving more customers the ability to choose supplier. The Commission's position is that the development of systems should in no way impinge on this date.

The Commission is also undertaking work that would see a move from point-to-point transportation arrangements to an entry/exit regime. The implementation date for this new regime is 1 October 2004.

To allow sufficient time for design, test and implementation of IT systems and the interoperability with market participants systems the Commission's view is that the "go live" date for systems should be extended to 1 October 2004.

Coordination of an Integrated Industry Programme:

The Commission supports Bord Gáis' proposal to put in place a steering group whose remit would be the high level implementation of the business rules determined by the GMOWG and the principles of entry/exit. The Commission welcomes nominations for this steering group from industry participants, potential market entrants and stakeholders in the natural gas industry.

Approach to Interim Market Opening:

Bord Gáis propose two options to be considered as interim measures to support market opening in advance of the availability of the full suite of market opening systems. These proposals, and any proposals tabled by other industry participants, will form the basis of discussion by the steering group.

Nominations for the high level steering group should be sent to Paul Hogan at the Commission by 19 December 2003.

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