

**Public consultation on Gas Release programmes in the South of France
implemented by Gaz de France and Total**

Consultation document

The Gas Release programmes implemented by Gaz de France and Total will progressively come to an end by the year 2008. Taking into account the major role Gas Release volumes play in supplying alternative operators on the French market, CRE is proceeding to a public consultation, upon completion of which it will publish a summary of the contributions received.

Questions asked of contributors concern:

- • their assessment of the effect that Gas Release programmes have had on the French market since their implementation;
- • the consequences they believe ending the programmes will have;
- • their assessment of the usefulness of a new system designed to improve supply conditions for alternative suppliers.

CONTEXT

In its communication of 15 April 2004¹, CRE requested that two programmes of Gas Release be set up in the South of France. As from 1 January 2005, the programmes, implemented by Gaz de France and Total and aimed at alternative operators, provided for:

- Gaz de France marketing, at the 'South' gas exchange point, a quantity of 15 TWh per year over a 3-year period, via auctions and mutual agreement negotiations;
- Total marketing, at the 'Southwest' gas exchange point, a quantity of 1.1 TWh per year over a 3-year period, via auctions;
- conditions of *Gas Release* programmes being non-discriminatory.

As they had committed to doing, upon completion of auctions and mutual agreement negotiations Gaz de France and Total put up for sale contracts for selling gas at indexed prices and relating to gas deliveries over 3-year periods. As purchasers were entitled to choose the dates on which their contracts came into

¹ See the CRE Communication on implementation of a *Gas Release* programme in France (www.cre.fr).

force, deliveries will progressively come to an end by the year 2008. On 1 January 2009, Gaz de France and Total's commitment will come to a final end.

CONSULTATION

This consultation is open to all players on the French gas market.

CRE invites all interested parties to send in their contributions, by 14 September 2007 at the latest:

- by email, to webmestre@cre.fr,
- by post, to CRE – DMSP - 2, rue du Quatre Septembre - 75084 Paris Cedex 02 – France,
- by contacting Commission departments, via the Direction des Marchés et du Service Public (telephone: 00 33 1 44 50 41 51),
- or requesting to be heard by the Commission.

A summary of contributions received will be published by the Commission, subject to legally protected secrecy.

Contributors are requested to indicate whether they want the confidentiality and/or anonymity of their contributions to be guaranteed.

CRE will carry out hearings on the basis of contributions received.

QUESTIONS ASKED

When answering questions, contributors are requested to:

- *distinguish the programmes set up by Gaz de France and Total,*
- *distinguish, when appropriate, between situations in the various balancing zones,*
- *base their replies, as far as possible, on precise quantitative data.*

TOPIC 1: ASSESSMENT OF THE EFFECTS OF GAS RELEASE PROGRAMMES ON FRENCH MARKETS

Question 1.

Have Gas Release programmes contributed to the development of competition on French retail markets? Please state the main reasons why or why not, distinguishing between situations in different balancing zones.

Question 2.

Have Gas Release programmes contributed to the development and liquidity of French wholesale markets? Please state the main reasons why or why not, distinguishing between situations in different balancing zones.

Question 3.

Has the existence of Gas Release programmes enabled market players to acquire energy that, without Gas Release programmes, would not have been on offer on the markets?

Question 4.

How do you assess the practical means employed to implement Gas Release programmes, in particular as regards:

- the system for governance of the programmes,
- the methods for allocating and setting prices,
- price indexing,
- the duration of products sold,
- the other characteristics of products sold, and how well they meet purchasers' needs,
- the methods to nominate the volumes purchased.

Question 5.

Generally speaking, what is your assessment of the Gas Release programmes?

TOPIC 2: CONSEQUENCES OF THE END OF GAS RELEASE PROGRAMMES

Question 6.

In your opinion, how do other currently available sources of supply (imports of onshore gas and LNG, or purchases on the French wholesale market) compare with volumes of gas made available through the Gas Release programmes? Please back up your point of view with quantitative data, distinguishing if necessary between situations at different balancing zones.

Question 7.

As regards future sources of supply, do you think that projects currently under study are sufficient to compensate loss of Gas Release volumes? Please back up your point of view with quantitative data, distinguishing if necessary between situations at different balancing zones and between different time horizons.

Question 8.

Consequently, do you think that the end of Gas Release programmes might have an effect on supply conditions for alternative operators? In your opinion, which period would be most affected?

TOPIC 3: RECOMMENDATIONS REGARDING SET-UP OF A PROGRAMME DESIGNED TO IMPROVE SUPPLY CONDITIONS FOR ALTERNATIVE OPERATORS

Question 9.

Do you recommend setting up a new Gas Release programme, or of another system designed to improve supply conditions for alternative operators? In your opinion, what would be the most appropriate system?

Please give details of your recommendation, backing it up as need be with data for international comparison.

Question 10.

What should be the deadline to implement such a programme, and how long should it last? Do you recommend that the programme be set up for a fixed period, or be subject to achievement of pre-established criteria? What fixed period or criteria would you recommend?

Question 11.

If you recommend setting up a Gas Release programme, please give details of the programme, describing in particular:

- means of governance,
- types of products sold and their main characteristics: duration, date of start of delivery, flexibility, price indexing, methods of nomination, and delivery points,
- quantities of gas that should be released,
- methods for allocation and for setting prices,
- frequency of sales.

Please describe such characteristics for each balancing zone in question.

Please back up your recommendations with quantitative data and, as need be, with data for international comparison.

Question 12.

If you recommend setting up another type of programme, please give details of its characteristics, describing in particular:

- means of governance,
- types of products transferred or exchanged (gas, capacities, etc.),
- quantities that should be released,
- methods for allocating and for setting prices,
- frequency of sales.

Please describe such characteristics for each balancing zone in question.

Please back up your recommendations with quantitative data and, as need be, with data for international comparison.

TOPIC 4: OTHER OBSERVATIONS

In this section, contributors are invited to share any other opinions that they consider appropriate to the scope of this consultation.