In search of a European Gas Market: Developing the Gas Target Model

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Problem Description
In the Third Energy Package of 2003, the European Commission stated its ambition to create a functioning gas market by 2014. However, it was not precise enough for coherent intra-national interpretation and implementation. The founding of the vision of the Gas Target Model (GTM) was initiated to reach this uniform interpretation. In 2011 the first GTM became established and recognized by the Madrid forum. In 2015 an updated version was presented. This research analysed the developments of the GTM and actions taken to realise a functioning wholesale market. By analysing (intermediary) documents, workshops, discussions for establishing these visions. This was complemented by expert interviews. Attention was paid to the underlying principles of the vision and the contextual factors in which it developed. Using framework for vision analysis, the following question is addressed: Is there a vision behind EU gas market development?

Vision analysis Framework

<table>
<thead>
<tr>
<th>Vision characteristics</th>
<th>GTM 2011</th>
<th>GTM 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem handling</td>
<td>Narrow scope, Precise conditions</td>
<td>Broader scope, Precise solutions</td>
</tr>
<tr>
<td>Reflectivity</td>
<td>Call for a vision. Existing and prospective regulation are maintained and shaped. No internal reflectivity</td>
<td>Reflectivity towards contextual factors and towards 2011 GTM.</td>
</tr>
<tr>
<td>Time span</td>
<td>2014 Unrealistically high, determined by Third Package</td>
<td>2025 Determined by green paper A bridge to 2025</td>
</tr>
<tr>
<td>Possible to pursue</td>
<td>Not feasible within time span.</td>
<td>Detailed enough and larger time span.</td>
</tr>
<tr>
<td>Mapping possibility space</td>
<td>Aims to enhance innovative possibility space for market creation.</td>
<td>Larger scope stretches cognitive possibility space. Aims to pursue specific innovative options.</td>
</tr>
<tr>
<td>Communication</td>
<td>Comprehensive image</td>
<td>Detailed document</td>
</tr>
<tr>
<td>Interpretive flexibility</td>
<td>Some aspects detailed, other aspects general.</td>
<td>Workable.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performativity of visions</th>
<th>GTM 2011</th>
<th>2015 GTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision sharing</td>
<td>Actors involved much discussion</td>
<td>Actors involved more consensus</td>
</tr>
<tr>
<td>Reducing uncertainty</td>
<td>Legal boundaries reduce uncertainty, vision operates within these boundaries</td>
<td>Identification of uncertainty</td>
</tr>
<tr>
<td>Agenda Setting</td>
<td>The concept of a vision.</td>
<td>Yes, stretching scope</td>
</tr>
<tr>
<td>Defining search heuristics</td>
<td>NC and FG were already defined Discussion on properties and conditions of a functioning market</td>
<td>Vision document clearly has these ambitions.</td>
</tr>
<tr>
<td>Target setting</td>
<td>Targets were set by Third package</td>
<td>The time span from its release has been too short to clearly identify these conditions</td>
</tr>
<tr>
<td>Mobilization of resources</td>
<td>Voluntary</td>
<td></td>
</tr>
<tr>
<td>Legitimate action</td>
<td>Third package</td>
<td></td>
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Outcome
- There is a call for a long term vision for the European gas market
- The GTM both aims to fill this gap by addressing a twofold focus. Create a concrete vision with a narrow scope (for establishing Network codes and Framework guidelines) and a more overarching vision (of EU gas market development)
- This attempt has a paradoxical nature. The first vision requires a stable and uniform rule set for the stability of market actors. The second vision requires incorporation of long term (in)security and requires flexibility to adjust accordingly. The paper also concludes that the first type of vision is actively pursued and becomes materialised in Network Codes while the latter vision is just being identified and framed without action being taken.

Project is in its finalization stage, this poster outlines preliminary results.