

Chapter 1.2 - LEGAL FRAMEWORK

1.2.1 European Regulation of the Gas Market

- (a) The regulations concerning LNG regasification at a European and Italian level were inaugurated with EU Directive 98/30/EC of the European Parliament and Council dated 22 June 1998 (**Gas Directive**), concerning common rules for the internal market in natural gas. This regulation started a process of progressive liberalisation of the sector with the aim of creating a single European market for natural gas, at the same time guaranteeing the same **terms and non-discriminatory** treatment for operators of the system.
- b) In June 2003, the European Parliament and the Council adopted the EU Directive 2003/55/EC (**Second Gas Directive**) also concerning common rules for the internal market in natural gas and that repealed the EU Directive 98/30/EC.
- c) On 13 July 2009 the European Parliament and the Council adopted the EU Directive 2009/73/EC (**Third Gas Directive**) on common rules for the internal market in natural gas. Italy enacted the Third Gas Directive through Legislative Decree No. 93 dated 1 June 2011 (**Decree 93**).
- d) Regulation (EC) No. 1775/2005 of the European Parliament and of the Council of 28 September 2005 sets out conditions for access to the natural gas transmission networks (the **First Gas Regulation**).
- e) On 13 July 2009, the European Parliament and the Council issued Regulation (EC) No. 715/2009 which repealed the First Gas Regulation providing new conditions for access to the natural gas transmission networks. The EU Commission Decision of 10 November 2010 amended Chapter 3 of Annex I to Regulation (EC) No 715/2009.

1.2.2 Italian Regulation of the Gas Market

- (a) The Gas Directive was implemented in Italy by the Decree no. 164 dated 23 May 2000 (**Decree**), concerning common rules for the internal market in natural gas, in accordance with the principles laid down by Law no. 144 dated 17 May 1999.
- (b) The Decree introduced rules defining procedures and timing for the liberalisation process as provided for by the Gas Directive, identifying and defining the roles of the various segments of the natural gas “chain”, such as: importation, development, exportation, transport and dispatching, storage, regasification, distribution and sale.
- (c) With regard to the regasification activity, the Decree governs amongst other items:
 - (i) LNG plants;
 - (ii) the importation of LNG into Italy; and
 - (iii) the need, by parties who manage LNG terminals, to set up, after a specific resolution of the ARERA (established on the basis of Law no. 481 of 14 November 1995), a regasification code for the purposes of access to the terminals (article 24, paragraph 5).
- (d) With a decree dated 27 March 2001, the Ministry of Economic Development set out the “Determination of the criteria for release of authorisations to import natural gas produced in Non-Member States”, in accordance with article 3 of the Decree. Such decree was then partially amended by the Ministry of Economic Development Decree adopted on 2 August 2011 concerning the “Updating of procedures for the releasing of authorizations to import natural gas, in compliance with article 28 of Legislative Decree 1 June 2011, n. 93”.
- (e) By Decree 93, Italy enacted the Third Gas Directive. Decree 93 (which entered into force on 29 June 2011) modified various parts of the Decree, simplifying authorisations for import of gas, stressed the principles of transparency and non-discrimination in the assignment of capacity in LNG terminals.
- (f) The Ministerial Decree of 19/04/2013 sets out, among the measures to be activated in emergency conditions, the usage of partially used regasification terminals tanks for Peak Shaving Service. With Ministerial Decree dated 18/10/2013 the relevant terms and conditions for peak shaving service during winter period of Gas Year 2013/2014 have been defined;

1.2.3 ARERA Resolutions in connection with the Regasification Code

- (a) Resolution no. 120/01 – Criteria for determination of the tariffs for the transport and dispatching of natural gas and for the use of LNG terminals.
- (b) Resolution no. 193/01 – Provisions regarding tariffs for the transport and dispatching of natural gas and for the use of LNG terminals, for implementation of Resolution no. 120/01 dated 30 May 2001.
- (c) Resolution no. 91/02 – Regulation on the right to allocation pursuant to article 27, paragraph 2, of Law no. 273 dated 12 December 2002 in the event of the construction of new LNG terminals and the upgrading of existing terminals.
- (d) Resolution no. 137/02 – Adoption of guarantees for the free access to the natural gas transport service and rules for the preparation of the Network Codes.
- (e) Resolution no. 146/02 - Provisions regarding tariffs for the transport and dispatching of natural gas, for implementation of AEEGSI Resolution no. 120/01 dated 30 May 2001.
- (f) Resolution no. 90/03 – Amendment to ARERA Resolution no. 91/02 dated 15 May 2002, implementing article 27, paragraph 2, of Law no. 273 dated 12 December 2002.
- (g) Resolution no. 113/03 – Extension of the conditions under articles 14 and 15, paragraphs 12 and 13, of ARERA Resolution no. 120/01 dated 30 May 2001 regarding LNG regasification.
- (h) Resolution no. 141/04 – Extension of the conditions under articles 14 and 15, paragraphs 12 and 13, of AEEGSI Resolution no. 120/01 dated 30 May 2001 regarding LNG regasification.
- (i) Resolution no. 52/05 – Start of proceedings for the formation of measures regarding tariffs for the use of LNG terminals for the second period of regulation.
- (j) Resolution no. 167/05 – Adoption of guarantees for the free access to the liquefied natural gas regasification service and rules for the preparation of regasification codes.
- (k) Resolution no. 178/05 – Criteria for the determination of the tariffs for the regasification service.
- (l) Resolution no. 185/05 – General provisions related to the quality of natural gas, according to article 2, paragraph 12, letter g) and h) of Law 481/95.
- (m) Resolution no. 168/06 – Urgent provisions for the definition and assignment of transport capacity in the entry points to the national gas network interconnected with the infrastructures for which there is an exemption and for the assignment of residual capacity, by a legislative decree dated 28 April 2006.
- (n) Resolution no. 327/07 - Amendment of Art. 8 of ARERA Resolution 168/06.
- (o) Resolution no. 92/08 - Criteria for determination of the tariffs related to the regasification service and amendment of AEEGSI Resolutions no. 166/05 and no. 11/07.
- (p) Resolution no. 111/08 - Urgent set-up in the area of allocations at the entry points of the national pipeline network interconnected with regasification terminals and integration to ARERA Resolution no. 137/02.
- (q) Resolution no. 55/09 - Rules for the adoption and the revision of the access codes of transport, storage and regasification, and for the establishment and the activity of the relevant consultation committees.
- (r) Resolution no. 54/10 - Amendment of Article 11 of ARERA Resolution no. 167/05, setting out provisions for non use of regasification capacity.
- (s) Resolution 150/2012/R/gas - Criteria for the determination of the regasification service tariff for LNG, for the fourth regulatory period;
- (t) Resolution 188/2012/E/com - Approval for the framework for dealing with complaints presented by operators against the transmission, storage, regasification and distribution system operator pursuant articles 44(1) and (2) of Legislative Decree no. 93/11;
- (u) Resolution 237/2012/R/GAS - Extension of the criteria for the determination of the regasification tariffs for the transitional period October 2012-December 2013;
- (v) Resolution no. 297/2012/R/GAS – Provisions on access to the Transportation Service for natural gas at the entry and exit points of the transmission network interconnected with inventories and with regasification terminals;

- (w) Resolution no. 84/2013/R/GAS – Rationalisation of the disclosure requirements regulated in the context of the guarantees of free access to transportation, storage and regasification services;
- (x) Resolution 224/2013/R/GAS - Start of proceedings for the formation of measures regarding tariffs and access conditions in case of waiver or annulment of the third party access exemption granted to LNG terminals;
- (y) Resolution 272/2013/R/GAS – Criteria for the determination of the regasification service tariff and access conditions in case of waiver or annulment of the third party access exemption granted to LNG terminals
- (z) Resolution no. 84/2013/R/ GAS – Criteria for regulating the regasification tariffs for liquefied natural gas for 2014-2017.
- (aa) Resolution no. 471/2013/R/GAS - Provisions for the Peak Shaving Service for the winter period of Gas Year 2013/2014.
- (bb) Resolution no. 502/2013/R/GAS – Concerning the provision of flexible services by regasification companies.
- (cc) Resolution no. 312/2016/R/GAS – Gas balancing, implementing Regulation (EU) 312/2014
- (dd) Resolution no. 660/2017/R/GAS – Reform of the regulation of the allocation of LNG regasification capacity based on market mechanisms (auctions) by which the ARERA approved the TIRG