

# Network Code Implementation Monitoring

## Capacity Allocation Mechanism

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# Agenda



- > ***Introduction***
- > ***Capacity Allocation Mechanism Network Code***
- > ***CAM Implementation Monitoring 2015***
- > ***Key points for successful implementation of CAM NC***
- > ***Conclusions***



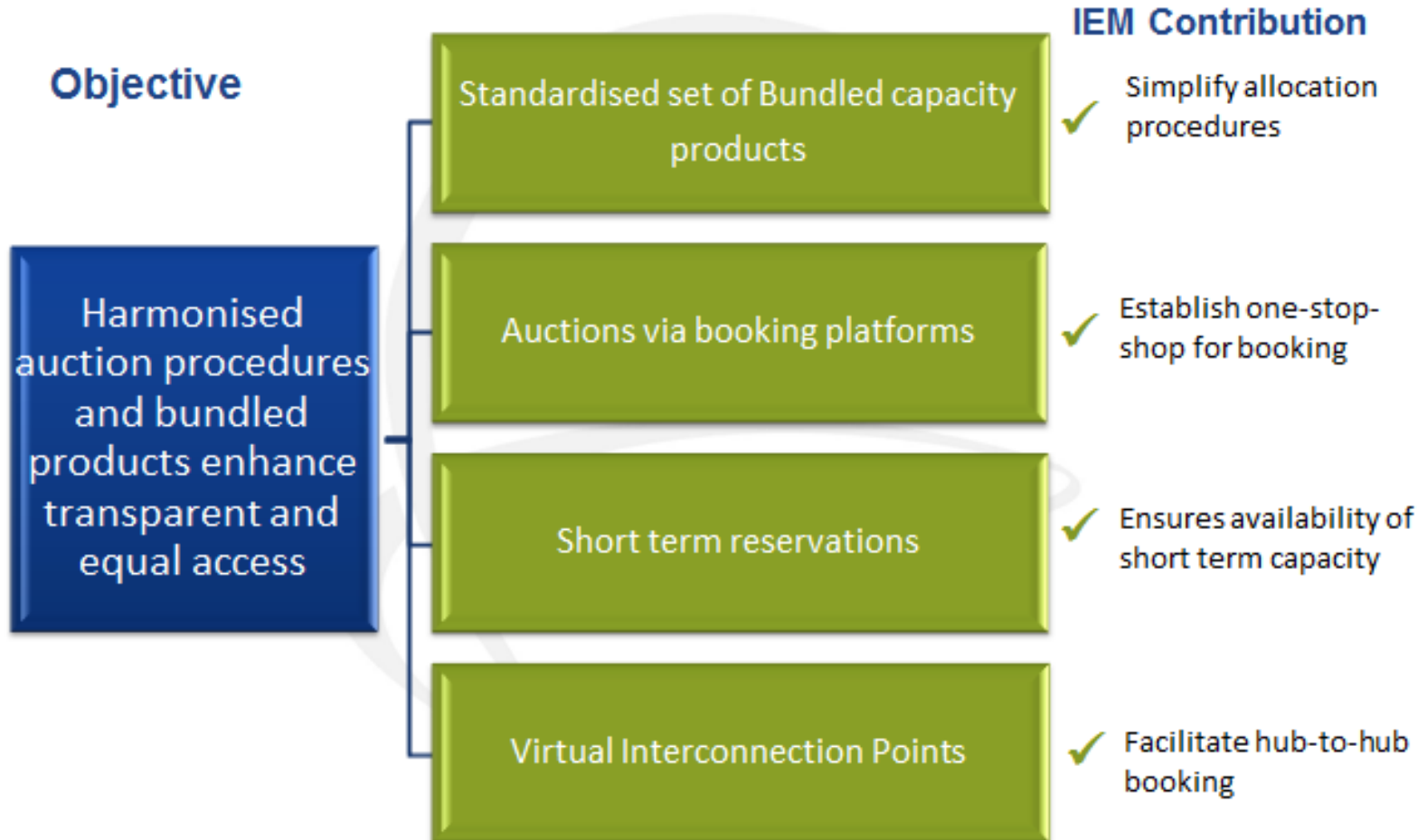
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# Capacity Allocation Mechanisms (CAM NC)



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# Key concepts in the CAM NC

- > **Auctions as the mechanism for capacity allocation**
  - *Regulated tariff as reserve price*
  - *Capacity allocation only at predetermined dates*
- > **Standardised product set**
  - *Year, quarter, month, day, within-day*
- > **Short term capacity reservation of at least 10%**
  - *Aims to facilitate new entrants access*
- > **Bundled cross border contracts**
  - *Not applicable to existing contracts*
  - *Elimination of flange trading*
- > **Merging of IPs connecting the same TSO systems into a “VIP”**
- > **Capacity offered via joint booking platform(s)**



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# CAM Implementation Monitoring 2015

- > The Network Code was approved by the EU Gas Committee on 14 October 2013 as Commission Regulation (EU) No 984 / 2013. The implementation date was **1 November 2015** with the exception of **Article 6** which had to be implemented by **4 February 2015**. Pursuant to Article 8(8) of Regulation (EC) No 715 / 2009, ENTSOG monitors the implementation of the Network Code.
- > ENTSOG launched the monitoring process in December 2015 to ensure the timely publication of the results in the 2016 Annual Report.

# CAM Implementation Monitoring 2015

## Key Messages

- > **Joint data collection ENTSOG/ACER**
- > **Data collection from relevant respondent (TSO upload TSO's data; NRA upload NRA's data)** – ACER provided online tool for data collection
- > **Verification of the data after the data collection** – EntsoG and ACER performed their own verification and compared the final data sets. The data discrepancies were then clarified with TSOs by EntsoG and confirmed with ACER.
- > **Level of implementation of every article of the NC was assessed by every TSO.**
  - Fully implemented
  - Partially implemented
  - Not implemented





# CAM Implementation Monitoring 2015

- > ***Data was collected from 49 TSOs***
  - *45 ENTSOG members*
  - *2 associated partners*
  - *2 not ENTSOG members*
- > ***The monitoring report reflects the answers of 41 TSOs***
- > ***Out of the 8 TSOs***
  - *5 TSOs are under derogation*
  - *3 TSOs only have IPs not relevant to CAM NC*
- > ***One of the 41 TSOs is under derogation but has already applied some CAM NC Articles on a voluntary basis and was therefore included in the analysis.***

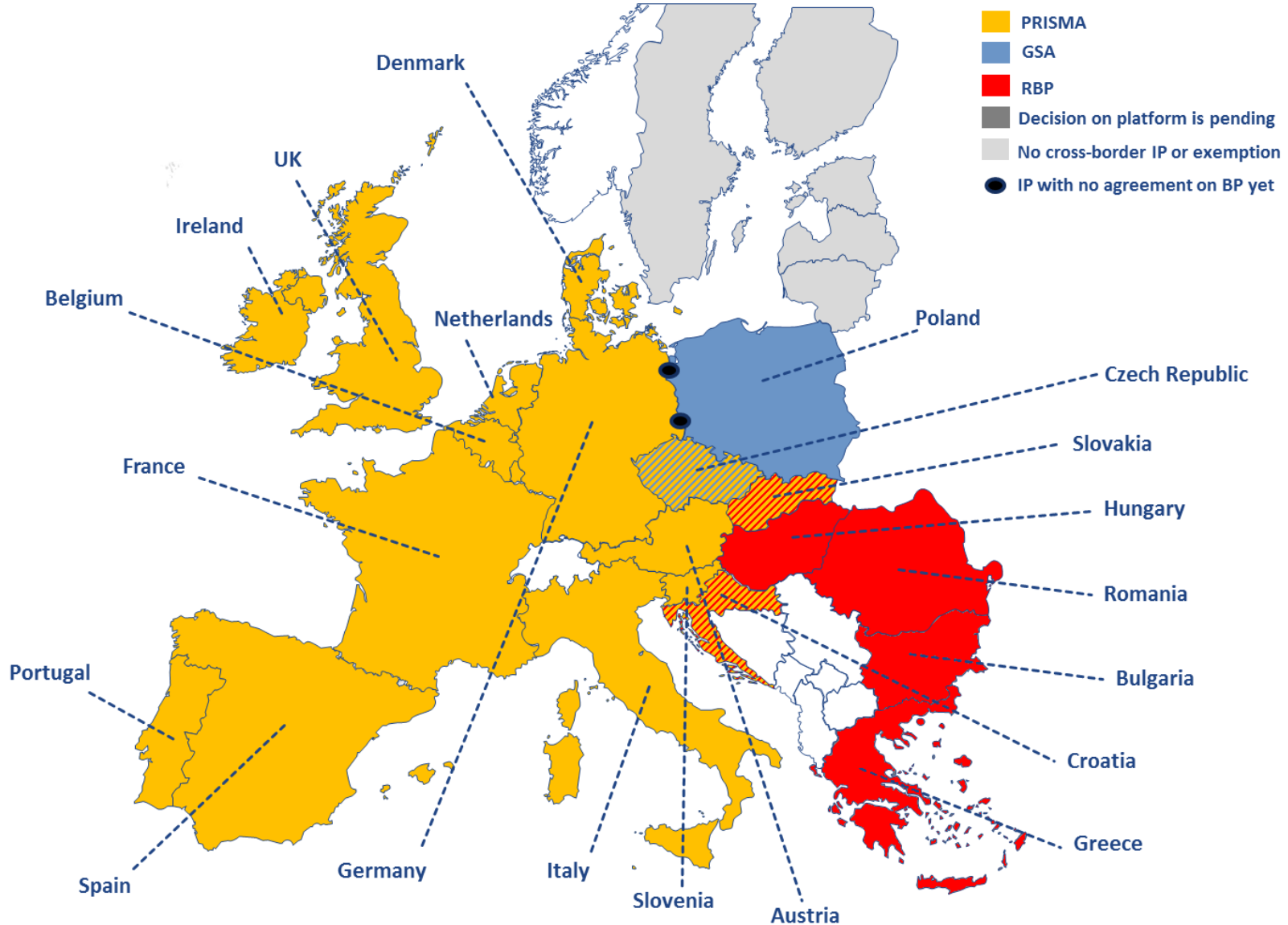
# CAM Implementation Monitoring 2015

## Key Messages

- > ***Standard procedures for capacity booking on EU market***
  - *unified capacity auction dates*
  - *products offered on one common booking platform at any single IP*
  - *bundled capacity at IPs*
- > ***30 TSOs out of 41 is fully compliant with mandatory obligations of CAM NC***
- > ***Main issues preventing full implementation:***
  - *lack of an agreement on booking platform between TSOs (for bundled capacity products auctions)*
  - *interim measures from BAL NC, therefore certain CAM NC provisions are not applicable (e. g. over-nominations, WD interruptible capacity offer)*
  - *booking platform not able to deal with competing capacity situations*



# Booking Platforms as in October 2016





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## Key points to be done for successful implementation of CAM NC

- > Understand the local differences in comparison to desired CAM state*
- > Develop the conceptual design of the solutions*
- > Adjust existing national legislation to be CAM compliant in cooperation with NRA*
- > Amendment of capacity contracts and general terms and conditions*
- > Develop all standard capacity products – firm and interruptible*
- > Agree with adjacent TSOs on booking platforms and their BP – TSOs back end connection*
- > Discuss the quotas with NRA and adjacent TSOs to be applied*



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## Conclusions

- > Successful implementation is reached via communication between all stakeholders and understanding the present a desired state and the right steps taken.*
- > In 2016 almost all relevant TSOs might be fully compliant with CAM*
- > CAM is in place, but has it provided effective tools to develop the gas transmission market across Member States, as foreseen in the regulation?*
- > EntsoG to perform effect monitoring as foreseen in the regulation*
- > EntsoG will maintain implementation and effect monitoring until CAM is implemented across member states and has the desired outcomes*



# Thank You for Your Attention

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