CAM NC & CMP GL Monitoring

EnC WS on ‘Implementation of CAM NC in the Energy Community’

Irina Fix
Market Adviser
Where are we?
**Implementation timeline**

- **Balancing**
  - Implementation: 1 October 2015
  - Possibility for later imp.: 1 October 2016
  - Interim measures imp.: 16 April 2019

- **Interoperability**
  - Implementation: 1 May 2016

- **Tariffs**
  - Implementation: 6 April 2017
  - Clearing and payable price, publication requirements: 1 October 2017
  - Reference price methodologies, reserve prices, reconciliation of revenues: 31 May 2019

- **CAM**
  - Imp: 1 Nov. 2015
  - Offer of capacity conversion service: 1 January 2018
  - Catalogue of main Terms and Conditions: 6 January 2018
  - Implementation of VIPs: 1 November 2018

- **CMP**
  - Imp. OS+BS, surrender of contracted capacity, LT UOILI: 1 Oct. 2013
  - FDA UIOLI: 1 July 2016
Overview

ENTSO-E published 2 monitoring reports in June 2019 and 1st report on the incremental capacity process in January 2020:

- **Capacity Allocation Mechanism (CAM) Network Code**
  - Focus on provisions identified as not fully implemented in 2017 report and provisions that entered into force in 2018

- **Congestion Management Procedures (CMP) Network Code**
  - Focus on TSO’s who had not fully implemented CMP in 2017 and TSOs listed in ACER’s 2018 report on congestion at interconnection points

- **Incremental Capacity Report**
  - Focus on first cycle of the incremental capacity process initiated in 2017
# CAM NC Implementation

46 TSOs included in survey

- 41 Members
- 2 Associate Members
- 3 Non-Members

<table>
<thead>
<tr>
<th>Provisions that entered into force in 2018</th>
<th>Not yet implemented – Number of TSOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Art. 19(9) Virtual Interconnection Points</td>
<td>3</td>
</tr>
<tr>
<td>Art. 21(3) Conversion services</td>
<td>1</td>
</tr>
<tr>
<td>Art. 32(1) Interruptible capacity after firm capacity sold out</td>
<td>3</td>
</tr>
<tr>
<td>Art. 32(2) Daily interruptible capacity offered at bi-directional IP</td>
<td>2</td>
</tr>
<tr>
<td>Art. 32(2) Daily interruptible capacity offered at uni-directional IP</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>6 VIPs were implemented before 1.11.18 while 11 VIPs were not implemented in 2018 due to uncertainties in Art. 19(9)</td>
</tr>
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<table>
<thead>
<tr>
<th>Provisions entered into force before 2018</th>
<th>Not yet implemented – Number of TSOs</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Art. 19(7) Bundled capacity products</td>
<td>3</td>
</tr>
<tr>
<td>Art. 32(6)&amp;(7) Allocation of within-day interruptible services (over-nomination procedure)</td>
<td>5</td>
</tr>
<tr>
<td>Art. 32(8) Allocation of interruptible services (D,M,Q,Y)</td>
<td>2</td>
</tr>
</tbody>
</table>
EU Booking Platform Map

- PRISMA
- GSA
- RBP
- Decision on platform is pending
- No cross-border IP or exemption
- 2nd ACER decision on BP (Oct. 2019)
CMP Guidelines Implementation

TSOs included survey

- TSOs who had not yet fully implemented CMP in 2017 (HU, RO)
- TSOs listed in the ACER’s 2018 report on Congestion at IPs (Annex 5 – BG, HU, RO, GR)
- Latvian TSO: Derogation expired in the previous years

Only 3 TSOs were still in the process of implementing some of the CMP measures by end of 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>OS+BB</th>
<th>FDA UIOLI</th>
<th>LT UIOLI</th>
<th>Surrender of Capacity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Proposed scheme is still under negotiation with the NRA</td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Common balancing zone with Estonia by 01.01.2020</td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Transgaz has submitted a proposal to the Romanian NRA</td>
</tr>
</tbody>
</table>

Legend:
- Not applied
- In process of implementation
- Implemented
### Incremental capacity monitoring results

#### Market demand assessment
- 38 ENTSOG members published DARs in 2017

#### Design phase
- 16 TSOs conducted technical studies for one or more entry-exit borders and issued joint public consultations
- 22 TSOs concluded after the DAR that an incremental project would not be initiated

#### Approval and publication of incremental capacity projects
- 12 TSOs submitted the project proposal to the relevant NRAs and published it
  - 2 TSOs are in progress
  - 2 other TSOs did not progress to the next stage

#### Auctioning of incremental capacity
- 9 TSOs offered incremental capacity during yearly auction 2018 or 2019
- 2 TSOs have proposed an alternative allocation mechanism
- 4 TSOs did not proceed further - due to lack of coordinated decisions being agreed by NRAs*

#### Alternative allocation mechanism
- 2 TSOs have proposed an alternative allocation mechanism

#### Economic test
- None of the 9 TSOs who auctioned incremental capacity received binding commitments

#### Conclusion
- No incremental projects are going to be initiated at this stage

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*Some of these TSOs auctioned incremental capacity for other entry-exit borders
What is ahead of us?
Overview

Future NC monitoring reports:

- Balancing NC Monitoring Report
  - Q1 2020
  - Q2 2020
  - Q3 2020

- Tariff NC Monitoring Report
  - Q4 2019
  - Q1 2020

- Interoperability NC Monitoring Report
Gas NC Functionality Platform (FUNC)

Overall Issues posted*

- 6 open issues
- 13 issues have been closed since the first issue was posted in November 2017

<table>
<thead>
<tr>
<th>Issue posted</th>
<th>Number of issues on FUNC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Posted</td>
</tr>
<tr>
<td>By end of 2017</td>
<td>2</td>
</tr>
<tr>
<td>in 2018</td>
<td>11</td>
</tr>
<tr>
<td>in 2019</td>
<td>5</td>
</tr>
<tr>
<td>in 2020</td>
<td>1</td>
</tr>
</tbody>
</table>

* Some issues are overlapping
FUNC 2.0 - Main improvements

More public
- Public consultation section on FUNC Platform
- Make non-confidential information publicly available (issue description, issue solution)
- Include news section on the platform

More user-friendly
- Support section for already posted issues
- Introduce filtering & search function

Direct contact to the users
- Direct announcements (e.g. about public consultations)
- Communication to the users to inform about status changes of posted or supported issues
DE/PL Booking Platform case

- **April 2018**: NRA disagreement
  - Case referred to ACER

- **October 2018**: 1st Decision appealed

- **December 2018**: 1st ACER decision on BP

- **February 2019**: 1st BOA decision
  - Remits the case back to ACER

- **August 2019**: 2nd ACER decision on BP

- **October 2019**: 2nd Decision appealed

- **10th February 2020**: 2nd BOA decision to be expected
1st initiated Incremental capacity project in April 2017
**Process for Incremental Capacity Projects**

**Annual auction of yearly capacity**
- Due date for non-binding indication: 8 weeks after beginning of annual auction

**Non-Binding Phase**
- Demand assessment (to determine whether there is sufficient demand (based on the criteria) to launch a project)

**Design Phase:**
- TSOs’ activities include:
  - Prepare and design project (planned offer levels, economic test parameters, etc.)
  - optional: conduct technical studies
  - identify what conditions if any to allow
  - determine whether an alternative capacity allocation mechanism is needed to the default allocation process, and design it
- **TSOs run public consultation** (min. 1, max. up to two months)
  - finalise project design after consultation
  - submit proposal for NRA approval

**Binding Phase**
- Default allocation process:
  - Users submit binding capacity requests through the CAM auction for each offer level.

- Alternative allocation process:
  - For each offer level, users submit binding capacity requests through the alternative capacity allocation process and specify any conditions.
  - TSOs process requests quickly to avoid overlap with any new cycle

- **Run economic test** (and a potential bid revision process)

- **Run economic test**

- TSO(s) publish demand assessment report 16 weeks after beginning of annual auction

- **TSOs submit project proposal to relevant NRAs for approval**

- **NRA approval within 6 months of the TSOs’ submission**

- **Due date for non-binding indication**
  - 8 weeks after beginning of annual auction

- **TSOs publish notice at least 2 months before due date for binding capacity requests**

- TSOs publish results

- **Ongoing co-ordination among TSOs and NRAs involved throughout the process**
# Open issues on FUNC

## Open issues by Feb. 2020:

<table>
<thead>
<tr>
<th>Posting party</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EFET</strong></td>
<td>Greater flexibility to book firm capacity at IPs</td>
<td>New</td>
</tr>
<tr>
<td><strong>EFET</strong></td>
<td>Allowance of overnomination in the event of capacity platform failure outside working hours</td>
<td>New</td>
</tr>
<tr>
<td><strong>Austrian Gas Grid Management AG</strong></td>
<td>Auction restrictions in the NCG market area</td>
<td>In progress</td>
</tr>
<tr>
<td><strong>Equinor</strong></td>
<td>Business Requirements Specifications (BRS) for balancing</td>
<td>In progress</td>
</tr>
<tr>
<td><strong>Equinor + ENGIE</strong></td>
<td>Missing harmonisation of interfaces on capacity platforms</td>
<td>In progress</td>
</tr>
</tbody>
</table>
Thank You for Your Attention

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