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)

Objective

- Harmonised auction procedures and bundled products enhance transparent and equal access

IEM Contribution

- Simplify allocation procedures
- Establish one-stop-shop for booking
- Ensure availability of short term capacity
- Facilitate hub-to-hub booking

- Standardised set of Bundled capacity products
- Auctions via booking platforms
- Short term reservations
- Virtual Interconnection Points
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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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 than 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
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

- **PRISMA**
- **GSA**
- **RBP**
- **Decision on platform is pending**
- **No cross-border IP or exemption**
- **IP with no agreement on BP yet**
Introduction

Capacity Allocation Mechanism Network Code

CAM Implementation Monitoring 2015

Key points for successful implementation of CAM NC

Conclusions
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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