

EU CAM Amendment & Incremental Update (5th Oct 2016)

6th Oct 2016

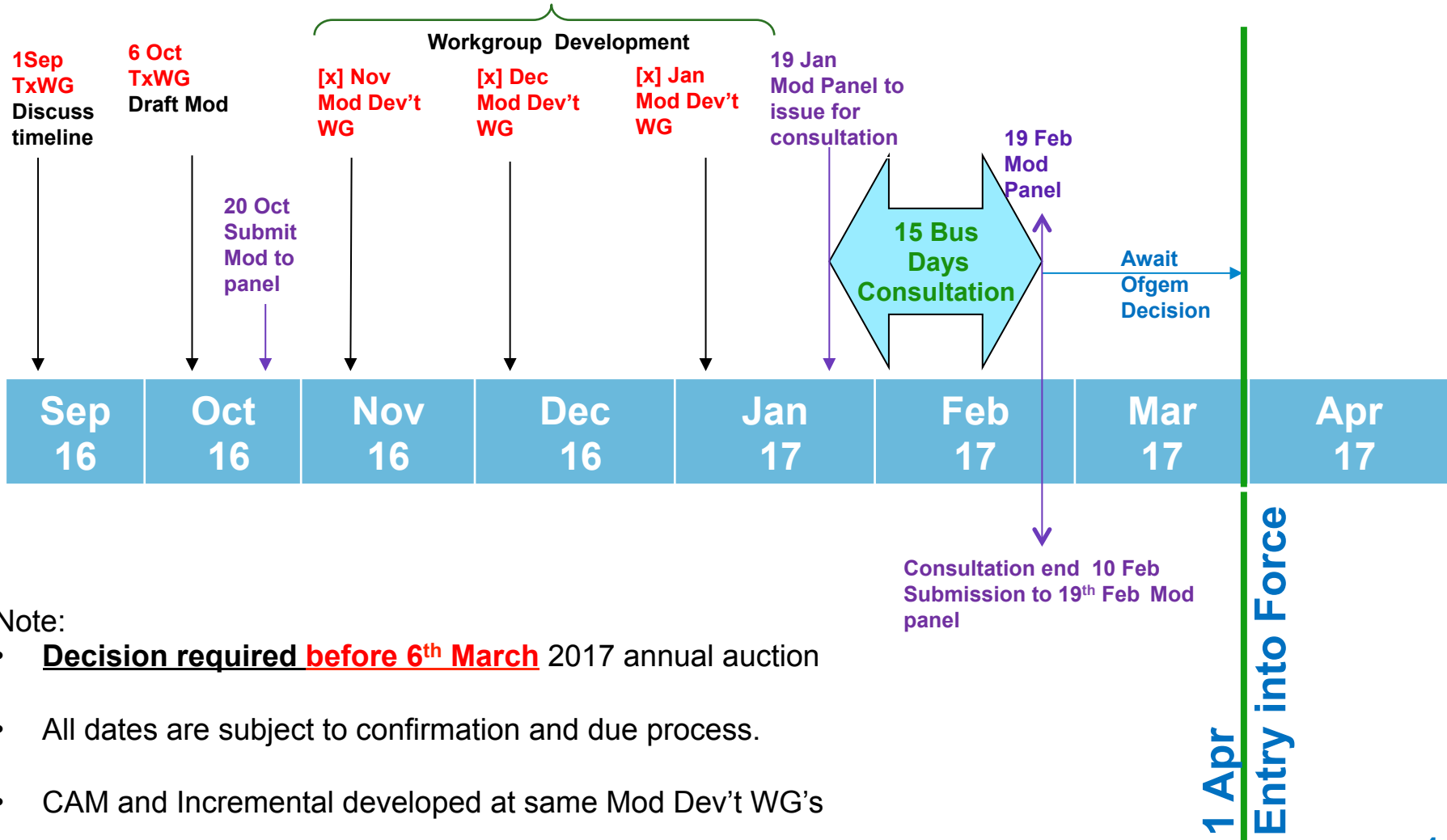
Expected Timeline (Revised)

- Comitology meeting held 29/30th September 2016
 - TAR took both days and was approved
 - CAM therefore not discussed
 - Revised Comitology meeting planned for 13th 14th October
- Understand that Commission wish to keep 1st April 2017 Entry into Force date.

UNC Modifications

- NGG have raised three **DRAFT** UNC modifications (as issued on JO website 5th October). These are based on 15th Sept 'current draft' and prior to comitology completion.
- Propose for workgroup development (timelines in later slide)
- 1. Introduce arrangements for the release of incremental capacity at IP points
- 2. Amendments to CAM to include moving auction dates and changes to the Annual Quarterly auctions. Under defined circumstances the management of capacity sales at storage exit points
- 3. Only offering interruptible capacity at IPs when firm is sold out
- NGG may also bring forward at a later date a modification to provide a capacity conversion service at IPs (when this is further defined at an EU level)

UNC CAM Mods - Indicative Timeline



- Note:
- **Decision required before 6th March** 2017 annual auction
 - All dates are subject to confirmation and due process.
 - CAM and Incremental developed at same Mod Dev't WG's

Latest Informal Changes

■ *Article 11*

Annual yearly capacity auctions

1. The yearly capacity auctions shall be held once a year.
2. Capacity for each yearly standard capacity product shall be auctioned through the annual yearly capacity auction using an ascending-clock auction algorithm in accordance with Article 17.
3. The auction process shall offer capacity at least for the upcoming 2 gas years and for no longer than the upcoming 15 gas years for existing capacity. —When offering incremental capacity, the offer levels may be offered in yearly capacity auctions for a maximum of 15 years after the start of operational use. Transmission system operators on two sides of an interconnection point shall agree on the number of years for which capacity is offered on both sides of the interconnection point. In case the involved transmission system operators do not agree on the duration for the offer of capacity, the capacity shall be offered for no longer than the lower number of upcoming gas years offered by either of the two transmission system operators.

Latest Informal Changes

■ Article 21

Bundling in case of existing transport contracts

1. [...]
2. [...]
3. ~~Within six month following the written request of a network user holding unbundled capacity at one side of an interconnection point,~~ As from 1 January 2018, transmission system operators shall offer network users holding mismatched unbundled capacity at one side of an interconnection point a free-of-charge capacity conversion service for any standard annual, quarterly or monthly capacity product for firm capacity at that interconnection point, ~~if no sufficient matching unbundled capacity on the other side of the interconnection point is offered~~ which the network user had to acquire because insufficient unbundled capacity on the other side of the interconnection point was offered by an adjacent transmission system operator. This service shall be offered on a non-discriminatory basis and shall prevent additional charges from being applied to network users for capacity they already hold~~undue overpayment of booked capacity.~~ This service shall be based on a conversion model to be developed by ENTSOG at the latest by 1 October 2017 after consulting the Agency. The implementation may be facilitated by the capacity booking platform(s) referred to in Article 37. The use of this service shall be reported annually to the respective national regulatory authorities.

Latest Informal Changes

■ Article 25

Publication requirements relating to the economic test

1. For a given incremental capacity project, the transmission system operator(s) shall submit to the relevant national regulatory authority(-ies) for approval the following information for each offer level:
 - (a) the reference prices estimated for the time horizon of the initial offer of incremental capacity that are used for the calculation of the parameter set out in Article 22(1)(a) and 24(2)(a), respectively in case separate or a single economic test is applied;
 - (b) the parameters set out in Article 22(1)(b) to (c) and 24(2)(b) to (c), respectively in case separate or a single economic test is applied;
 - (c) if applicable, [the range of the level for the mandatory minimum premium referred to in Article 33\(4\) of Regulation \(EU\) No XXX/201X \(TAR NC\)](#) for each offer level and interconnection point applied in the first auction and possibly in subsequent auctions in which the incremental capacity is offered as defined in Article 33(3) of Regulation (EU) No XXX/201X (TAR NC).
2. Following the approval by the relevant national regulatory authority(-ies), the information set out in paragraph 1 shall be published by the involved transmission system operator(s) as set out in Article 28(3).

Latest Informal Changes

- *Article 31*

Transitional arrangements

- In the case of incremental capacity projects initiated before 1 April 2017, Articles 26 to 30 shall apply unless such projects have been granted all necessary approvals by the national regulatory authorities before 1 April 2017.
- ~~Articles 26 to 28 shall apply only to incremental capacity processes initiated after 1 April 2017. Articles 29 and 30 shall *mutatis mutandis* apply to incremental capacity processes initiated but not completed before 1 April 2017 where capacity allocation has not taken place.~~

Latest Informal Changes

■ Article 32

Allocation of interruptible services

1. As from 1 January 2018, Transmission system operators may only offer standard capacity products for interruptible capacity of a duration longer than one day if the corresponding monthly, quarterly or yearly standard capacity product for firm capacity was sold at an auction premium, was sold out, or was not offered.
2. Transmission system operators shall ~~only~~ offer a daily capacity product for interruptible capacity in both directions at interconnection points where the respective standard capacity product for firm capacity was sold out day-ahead or was not offered. At unidirectional interconnection points where firm capacity is offered only in one direction, transmission system operators shall offer at least a daily product for interruptible capacity in the other direction. As from 1 January 2018, transmission system operators shall only offer a daily capacity product for interruptible capacity in both directions at interconnection points if the respective standard capacity product for firm capacity was sold out day-ahead or was not offered.

Latest Informal Changes

■ Article 37

Capacity booking platforms

1. Transmission system operators shall apply this Regulation by offering capacity by means of one or a limited number of joint web-based booking platforms. Transmission system operators can operate such platforms themselves or via an agreed party that, where necessary, acts on behalf of them towards the network users.
 2. Joint booking platforms shall apply the following rules:
 - (a) the rules and procedures for the offer and allocation of all capacity in accordance with Chapter III shall apply;
 - (b) the establishment of a process to offer firm bundled capacity in accordance with Chapter IV shall have priority;
 - (c) functionalities for network users to offer and obtain secondary capacity shall be provided;
 - (d) in order to use the services of the booking platforms network users shall accede to and be compliant with all applicable legal and contractual requirements that enable them to book and use capacity on the relevant transmission system operators' network under a transport contract;
 - (e) capacity at any single interconnection point or virtual interconnection point shall be offered at not more than one booking platform, but a transmission system operator may offer capacity at its distinct interconnection or virtual interconnection points through more than one booking platform.
- Within ~~three~~-six months from entry into force of this Regulation all transmission system operators shall reach a contractual agreement to use a single booking platform to offer capacity on the two sides of their respective interconnection points or virtual interconnection points. If no agreement is reached by the

Latest Informal Changes

■ Article 37
Capacity booking platforms

1. transmission system operators within that period, the matter shall be referred immediately by the transmission system operators to the respective national regulatory authorities ~~at the latest upon the expiration of the three month period from entry into force~~. The national regulatory authorities shall then, within a period of a further ~~three~~ six months from the date of referral, jointly select the single booking platform for a period not longer than three years. If the national regulatory authorities are not able to jointly select a single booking platform within ~~three~~ six months from the date of referral, Article 8(1) of the Regulation (EC) No 713/2009 shall apply. ~~they shall, at the latest upon expiration of that period, refer the matter to Agency~~. The Agency shall ~~in turn~~ decide ~~within a period of a further three months from the date of referral~~ on the booking platform to be used, for a period not longer than three years, at the specific interconnection point or virtual interconnection point.
2. In case the selection of the booking platform at an interconnection point or virtual interconnection point was made either by the national regulatory authorities or by the Agency, the transmission system operators shall reach a contractual agreement on the use of a booking platform at the latest by the end of the period referred to in the last sentence of paragraph 3, for which the selection was made by the national regulatory authorities or the Agency. If no contractual agreement is reached, the procedure set out in paragraph 3 shall be resumed.
3. The establishment of one or a limited number of joint booking platforms shall facilitate and simplify capacity booking at interconnection points across the Union for the benefit of network users. Where appropriate, ENTSOG and the Agency shall facilitate this process.
4. For increases in technical capacity, the allocation results shall be published on the booking platform which is used for auctioning existing capacity, and for new capacity created where none currently exists, on a joint booking platform agreed by the relevant transmission system operators.