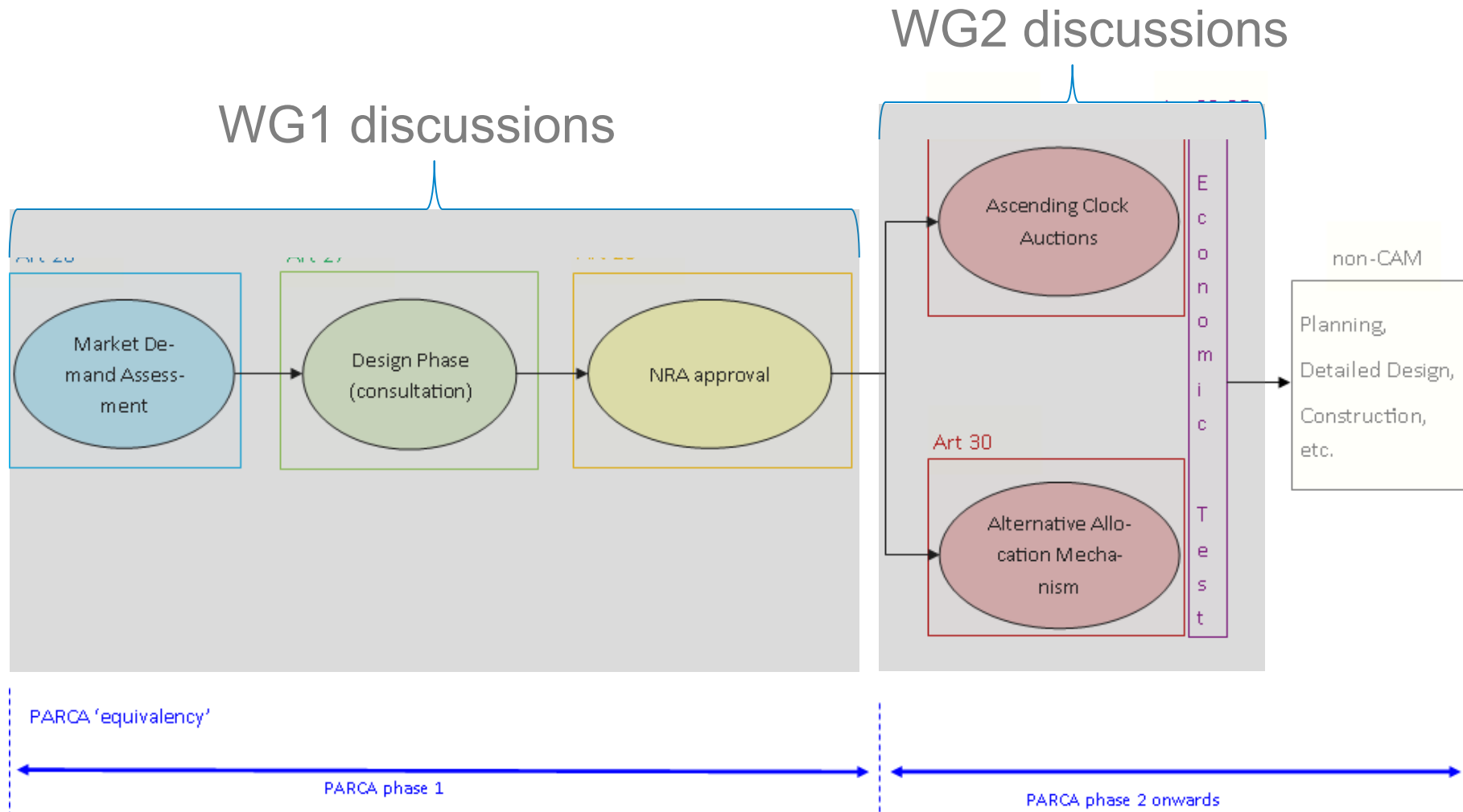


Supporting Slides for UNC modification 597

WG 3

13th December 2016

High Level steps in the CAM process



Agenda

- WG3
 - Actions
 - Demand Assessment templates (ENTSOG)
 - Mod updates
 - Legal text
- Future WGs
 - ?

Pricing & Economic Test

- Prices updated (approx.) Jan for QSEC and May for exit capacity. (action 1202.1)
- Current test – entry (non IP)
 - First economic test (after phase 1) uses latest available QSEC prices as indicative prices. Reservation occurs.
 - Final economic test (after phase 2) uses latest available QSEC prices as final prices. Allocation occurs & prices are locked.
 - The registered capacity must be for a minimum of 16 quarters within a 32 quarter period. (action 1201)
- Current test – exit (non IP)
 - No economic test. The registered capacity will be subject to maximum 4 years User Commitment.
 - Prices remain indicative until the year before each gas year when final prices are published.

IP PARCA – entry and exit

- Single economic test, completed at point of Reservation of capacity.
- No explicit rule on minimum number of years currently proposed, but this can be indirectly managed through the setting of the mandatory minimum premium.
 - i.e. the premium can be set so that it would not be possible to generate enough revenue to pass the test over only 1 or 2 years.
- Fixed or Floating price is allowed by CAM (but the development of a for Fixed price methodology is beyond the scope of this mod).
- Floating Price (default):
 - indicative reserve prices used for Economic Test. ([action 1203](#))
 - final reserve price confirmed ahead of each gas year.
 - Annual Yearly prices updated (approx.) Jan for entry and May for exit capacity ([action 1202.2](#))

Commercial Framework

Phase	Task/Output	Rules	Other impact
Demand Assessment	Demand Indications (inc. ad-hoc process)	UNC	
Demand Assessment	Demand Indication Fee	UNC	Licence
Demand Assessment	Demand Assessment Report	UNC	
Design Phase	Requirements for Consultation	UNC	
NRA Approval	Requirements for Project Proposal	UNC	
NRA Approval	Requirements for Joint Notice	UNC + PARCA	
Allocation	Methodology: Auctions or Alternative	Project Proposal	[Licence if auctions]
Economic Test	Methodology	Capacity Methodology	