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Developing an Incremental Proposal for EU gas transmission

Final Project Plan

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1. Background

Regulation (EC) no 715/2009 defines the process for the development of framework guidelines and network codes.

The Network Code for Capacity Allocations Mechanisms (CAM NC) focuses on capacity allocation for already existing capacity at Interconnection Points (IPs) in gas transmission systems. The Madrid Forum has recommended that processes are established by which capacity demand beyond the offer of existing capacity can be satisfied in a market-based manner. ACER has therefore been requested to elaborate procedures for market-based identification and allocation of capacity at existing IPs. These procedures provide a framework on the basis of which ENTSOG will develop a proposal to amend the CAM NC that includes technical rules and a section on tariff levels and economic test that will feed into the Tariff network code (TAR NC) development. The combination of these two procedures will in this document be termed Incremental Proposal.

The rules for the amendment of a Network Code are defined in Article 7 of EU Regulation 715/2009, which states that ACER shall assess amendments proposals and be able to recommend them to the Commission for adoption. For the case of including the offer of incremental and new capacity in the CAM NC, the European Commission (EC) invited ENTSOG to draft an Incremental Proposal based on the guidance provided by ACER.

This framework of the Incremental Proposal for the CAM NC is defined in the 'ACER guidance to ENTSOG on the development of amendment proposals to the Network Code on Capacity Allocation Mechanisms on the matter of incremental and new capacity' (ACER Guidance) which was published by ACER on the 30th November 2013. ENTSOGs obligation to submit the Incremental Proposal to ACER was triggered by the EC invitation letter sent to ENTSOG on the 19th of December 2013 specifying the deadline for this task as the 31st of December 2014. Simultaneously, ENTSOG received the EC invitation to draft the TAR NC until the same deadline.

Tariff related issues to the process of offering incremental and new capacity shall not be included in the amended CAM NC, but will be part of the TAR NC. Guidance to provisions on the economic evaluation of incremental and new capacity projects is therefore not given in the ACER Guidance to the CAM amendment but in ACERs Framework Guidelines on rules regarding harmonised transmission tariff structures for gas. These Framework Guidelines were published by ACER on 30 November and ENTSOG was officially invited by the European Commission to draft a Network Code until 31 December 2014.

The timescale for developing the Incremental Proposal is very tight and could have potentially high impact on all stakeholders who are affected by investment in new infrastructure at existing or new IPs. A well-organised interaction with all stakeholders is therefore essential to develop an Incremental Proposal that is acceptable to all and meets the objectives of the ACER guidance. To meet this challenge, it is vital to have a robust, inclusive and transparent process that ensures the elaboration of a well-considered Incremental Proposal.

2. Objective

The purpose of this document is to define a project plan for the Incremental Proposal. The first part of this document lays out the objectives, key assumptions, internal time constraints, deliverables and project life-cycle. The time table of the process is also provided in this document. The aim is to explain the key milestones and to provide a high level assessment of the development process of the Incremental Proposal in 2014 and to ensure the necessary participation and commitment from relevant stakeholders. The section on tariff levels and the economic test will feed into the draft TAR NC. This project plan has therefore aligned its major milestones with the project plan for the development of the TAR NC.

The second part of the document consist of appendixes providing an overview of the project (appendix A); the responses and the feedback from the consultation of the Draft Project Plan (appendix B) and an overview of the list of organisations participating in this consultation (appendix C).

3. Scope

3.1. Themes covered in the Incremental Proposal

The scope of the project is limited to developing an amendment to the CAM NC for additional capacity through investment in pipelines, compressors and similar infrastructure investments between member states to form interconnections. The Incremental Proposal shall be based on the contents defined in the ACER Guidance and tariff-related issues based on sections 2.4.1. and 3.5 in the Framework Guidelines for Rules regarding Harmonised Transmission Tariff Structures for Gas.

As a consequence, the project will focus on the following topics:

- Definitions
 - Existing capacity; Incremental capacity; New capacity; Open Season Procedures

- When to offer incremental capacity (process trigger)
 - Conditions for offering incremental capacity
 - Gap identification in the TYNDP; no yearly capacity products based on the existing capacity is offered; network users non-binding indication need and willingness to underwrite incremental or new capacity.
- Co-ordination requirements
 - TSO-NRA cooperation
 - Cross-border cooperation
- Information provision
 - Information regarding volume of offered standard bundled capacity products offered; rules used for securing network users' binding commitments; necessary economic commitment from network users; tariff and methodology used by TSOs; timing and publication of economic test results and final capacity allocations.
- Integration of incremental and new capacity into the CAM NC annual yearly capacity auctions
 - Application of principles regarding methodology for offering bundled incremental and new capacity; integrated with the offer of existing capacity; possibility to accommodate different starting prices.
- Open Season Procedures
 - To be applied when extended across more than two market areas, or when due to size and/or complexity auction could appear not to be a robust approach.
- Economic test
 - To validate the project's financial viability considering network user's binding commitments to purchase incremental or new capacity
- Tariff related issues
 - In case reference prices as determined by the cost allocation methodology in the tariffs NC would lead to a situation where the economic test could not be passed, tariff adjustments could be considered.

3.2. Relation with other network codes and guidelines

The Incremental Proposal will consist of two parts:

1. An amendment proposal to the CAM NC
2. Section of the Tariff NC

The first part, the Incremental Proposal to the CAM NC will contain the following topics: When to offer, Coordination requirements, Information provision, Integration of incremental and new capacity into the new CAM NC long-term allocation procedure and Open Season Procedures.

The second part, a section to the Tariff NC, will cover the economic test, tariff issues related to incremental capacity and the relevant information provision. Both these constituting parts of the Incremental Proposal will be developed by ENTSOG's incremental capacity group; all other elements of the Tariff NC will be dealt with by ENTSOG's tariffs working group.

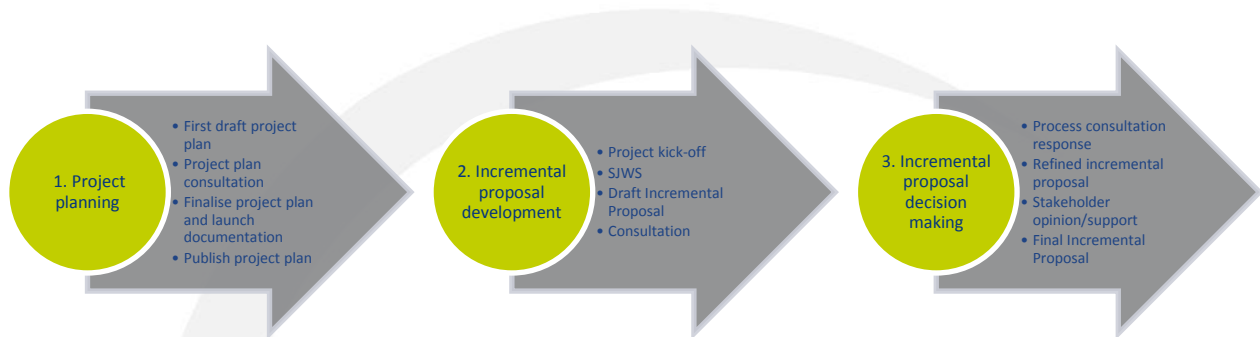
The project phases are fully aligned. This means that consultations run jointly and meetings are scheduled back-to-back. This is done to accommodate and facilitate stakeholder participation in terms of travelling etc. The Incremental Proposal will be developed taking account, where relevant, the provisions of Transparency Guidelines, Congestion Management Procedures (CMP) Guidelines and the Network Codes on Capacity Allocation Mechanisms in Gas Transmission Systems (CAM NC), Gas Balancing of Transmission Networks (BAL NC) and Interoperability and Data Exchange Rules (INT NC). It is assumed that the BAL NC and the INT NC will be adopted in line with current provisions, but any changes to these network codes may have an impact on the development of the Incremental Proposal.

4. Key assumptions

This project plan overview covers the development of the Incremental Proposal that consists of amendments to the CAM NC and delivers the section to the Tariff NC that relates to incremental capacity. The Incremental Proposal process will be executed until 31 December 2014, as set by the Commissions' invitation letters to ENTSOG on the amendment of CAM NC and the drafting of TAR NC. Deliberations within the Gas Advisory Council and the update of the Gas Target Model process are not expected to alter the Incremental Proposal process significantly.

5. Project phases

The dedicated network code development period is divided into three different phases as illustrated below:



5.1. Project plan development (Phase 1)

Feedback from this general project plan consultation will define the key participation in the main Incremental Proposal period. During this stage stakeholders can respond to the project plan consultation. Stakeholders are asked to indicate their level of involvement in the Incremental Proposal development process (see chapter 8).

Preparatory Works

ENTSOG focuses on preparing the work before the official process starts. This includes developing a detailed project plan and several scope related sub-papers on content structure, on changes to auction design and on in-depth understanding of the economic test principles.

Launch Documentation Publication

A Launch Documentation detailing the initial views on the content of the Incremental Proposal has been issued to the market on 22 January 2014 shortly after the kick-off meeting took place. This document will focus on the content issues such as the structure of the Incremental Proposal, changes to auction design and in-depth understanding of the economic test principles.

Project Planning

In this initial stage, ENTSOG invites stakeholders to consult on the draft Project Plan before commencing the project.

Preliminary Project plan development overview (19 December 2013 - 30 January 2014)

| Date | Activity |
|---------------------------|-------------------------------------|
| 19 Dec 2013 – 20 Jan 2014 | Consultation on draft Project Plan |
| Tue 14 Jan 2014 | Kick-off workshop |
| Wed 22 Jan 2014 | Publication of Launch Documentation |
| Thu 30 Jan 2014 | Publication of final Project Plan |

5.2. Incremental Proposal development (Phase 2)

This phase is an intense interaction period involving stakeholders to deliver a first Incremental Proposal for consultation.

Stakeholder involvement

The content of the Incremental Proposal will be interactively developed with the market during the Stakeholder Joint Working Sessions (SJWS) and during bilateral meetings with specific stakeholder groups. The objective is to test market views on detailed parts of the Incremental Proposal in order to fine-tune the proposed solutions and get early support for the work. In parallel, a consolidated version of the Incremental Proposal has to be developed in order to produce a draft that will be consulted upon.

SJWS

The SJWS are working sessions which will enable exchange and development of ideas for inclusion in the Incremental Proposal. During this phase of the Incremental Proposal activity, ENTSG envisages substantial interaction with all stakeholders. These sessions will be open to all and will be held at regularly intervals as specified in the Project planning session in chapter 7. The SJWS' for the Incremental Proposal are aligned with the Tariff network code development process and will be held either the day before or after the Tariff SJWS' in order to facilitate stakeholder involvement.

Formal consultation

This phase of the work is dedicated to the formal consultation on the draft Incremental Proposal. During this consultation, responses will be gathered and where necessary supported by bilateral meetings with specific stakeholders. Based on these, an analysis document will be produced, together with a new validated version of the Incremental Proposal.

Consultation workshop

Midway through the consultation period ENTSG will organise a workshop on the initial Incremental Proposal. The aim is to provide an overview of the results from the SJWS and

rationale behind the draft Incremental Proposal. This initial development effort will support the draft ENTSOG Incremental Proposal justified in the context of the wider stakeholder engagement and will also be the subject of a formal consultation. ENTSOG will communicate with any respondent requesting a discussion and may make contact with any respondent where such contact might assist to understand the consultation responses and better inform the final Incremental Proposal.

Incremental Proposal development overview (1 February 2014 – 31 July 2014)

| Date | Activity |
|----------------------------|--|
| Mon 10 Feb | SJWS 1: Definitions; Co-ordination Requirements; Information Provision; Economic Test; Tariff-related Issues |
| Wed 26 Feb | SJWS 2: When to offer; Auctions, Open Seasons |
| Thu 13 Mar | SJWS 3: Definitions; Co-ordination Requirements; Information Provision; Economic Test; Tariff-related Issues |
| Tue 25 March | SJWS 4: When to offer; Auctions, Open Seasons |
| Tue 8 April (if necessary) | SJWS 5: (if necessary) |
| Fri 30 May | Publication of first draft Incremental Proposal for consultation |
| Tue 24 June | Consultation workshop |
| Mon 28 July | Publication of consultation responses |

5.3. Incremental Proposal decision making (Phase 3)

This part of the process is designed to deliver a final Incremental Proposal for approval.

Refinement workshop

The refinement workshop will allow for stakeholders to contribute to the refinement of the Incremental Proposal before it will be passed on to the stakeholder support process.

Stakeholder support process and finalisation

This stage consists in presenting the validated version of the Incremental Proposal to the market for endorsement. After this process the final document will then be submitted to ACER.

Incremental proposal decision making (1 August 2014 – 31 December 2014)

| Date | Activity |
|----------------|--|
| 1 Aug - 22 Sep | Development of first text for refined Incremental Proposal |

| | |
|----------------|--|
| Tue 23 Sep | Refinement workshop |
| 9 Oct - 30 Oct | Modification of first text for modified Incremental Proposal |
| Thu 6 Nov | Publication of refined Incremental Proposal |
| 7 Nov - 21 Nov | Stakeholder support process (SSP) |
| Mon 24 Nov | Publication of report of SSP |
| 31 Dec 2014 | ENTSOG submission of final Incremental Proposal to ACER |

6. Key deliverables and milestones

The key ENTSOG deliverables during the whole incremental process are:

Phase 1

- Final Project Plan to be refined after consultation
- Draft Project Plan
- The Launch Documentation

Phase 2

- For each SJWS: Invitation, Agenda, Supporting Material and Minutes
- Bilateral and Group meeting material as agreed between the parties
- Draft version of Incremental Proposal, including supporting Material submitted for market consultation
- Draft version submitted for consultation by the market
- Consultation Responses

Phase 3

- Consultation Responses Analysis Report
- Refined Incremental Proposal
- Final Incremental Proposal approved by ENTSOG (and endorsed by Stakeholders) recommended for adoption by EC

Overview of milestones and deliverables

| Phase | Description | Deliverables | Target Date |
|-------|--|---|-------------|
| 1 | Publish Launch Documentation | Launch Documentation | 22 Jan 2014 |
| 1 | End of draft Project Plan Consultation | Final Project Plan | 30 Jan 2014 |
| 2 | Development of supporting document to Draft incremental proposal | Supporting Document to the Draft Incremental Proposal | 21 May 2014 |

| | | | |
|---|--|---|--------------|
| 2 | Publish initial draft Incremental Proposal after ENTSOG Board approval | Initial Draft Incremental Proposal | 30 May 2014 |
| 2 | End of consultation process | Publication of consultation responses | 28 July 2014 |
| 3 | Start of Decision-making process | Consultation responses analysis report | 8 Aug 2014 |
| 3 | Refinement period | Publication of Refined Incremental Proposal | 6 Nov 2014 |
| 3 | Stakeholder Support Process | Publication of SSP responses and endorsement report | 24 Nov 2014 |
| 3 | Incremental Proposal published and recommendation for adoption by ACER | Letter and Incremental Proposal submitted to ACER + Press Release published | 31 Dec 2014 |

7. Stakeholder involvement

As stated in the Regulation (EC) 715/2009, ENTSOG is required to “conduct an extensive consultation process, at an early stage in an open manner, involving all relevant market participants”. Unless otherwise publically announced, all meetings will be held in Brussels. ENTSOG will inform the participants on the exact venue and will publish meeting material in due time prior to such meetings on its website.

Level of engagement

ENTSOG invited all stakeholders to indicate their intended level of participation so that ENTSOG will be able to manage the logistics of the process. To manage stakeholder involvement ENTSOG therefore identified four different levels of stakeholder commitment and asked respondents to indicate the level at which they intended to commit themselves. The table below identifies the different levels of commitment. A list of all participants can be seen in Annex B.

| Level | Description | Comments |
|-------|-------------------------|--|
| 1 | Prime Mover | Committed to work on a bilateral basis and dedicate a lot of resources to assist formulate and evaluate/refine ideas/proposals for SJWS consideration – commitment to be intensive and involving many days during intensive phases of the network code development |
| 2 | Active SJWS Participant | Expected to attend all SJWS and to read and review all material prior to meetings and to be prepared to explore detail within the SJWS – commitment of around 3 days per months during intensive period of activity |
| 3 | Consultation | Will respond to consultations |

| | | |
|---|------------|---|
| | Respondent | |
| 4 | Inactive | Expected not to actively contribute to the development effort or to participate in the formal consultations |

SJWS and workshops

As detailed in the timeline overview below, ENTSOG plans to have several Stakeholder Joint Working Sessions in which concepts outlined in this document are discussed thoroughly and further developed to inform and shape the development of the incremental proposal. The table provides a list of the planned sessions where stakeholder participation is foreseen for both the Incremental Proposal as for the tariffs NC.

Stakeholder key dates for incremental capacity and tariffs

| Activity | Dates for incremental capacity development in 2014 | Dates for Tariff NC development in 2014 |
|-----------------------|---|--|
| Kick-off Meeting | Tue 14 Jan | Wed 15 Jan |
| SJWS 1 | Mon 10 Feb | Tue 11 Feb |
| SJWS 2 | Wed 26 Feb | Thu 27 Feb |
| SJWS 3 | Thu 13 Mar | Fri 14 Mar |
| SJWS 4 | Tue 25 Mar | Wed 26 Mar |
| SJWS 5 | Tue 8 April | Wed 9 April |
| Consultation workshop | Tue 24 Jun | Wed 25 Jun |
| Refinement workshop | Tue 23 Sep | Wed 24 Sep |

ENTSOG recognises the significant challenge associated with the communication and the development of mutual understanding of all stakeholders' positions during the entire twelve month process. ENTSOG will therefore ensure that all stakeholders are kept up to date by mailings and via ENTSOG website updates. All formal meetings will be documented and action logs will be maintained, updated and published as appropriate.

Bilateral meetings

In addition to the planned interactions with stakeholders during the Incremental Proposal development ENTSOG is open to interaction with stakeholders on a bilateral basis both before and during all phases of the project. This will contribute to the understanding of different perceptions of the issues, challenges and opportunities during the development phase and to prepare concepts for further SJWS or subsequent considerations for the draft Incremental Proposal.

An effective process will require engagement with stakeholders throughout the process, possibly involving either bilateral or multilateral meetings with associations and individual companies. ENTSOG would welcome views from respondents about how to best facilitate discussions about specific issues and to allow stakeholders to raise any issues or ideas they may wish to explore.

8. Document management

According to this project plan ENTSOG conducts the Incremental Proposal development project in an open and transparent manner. Stakeholders' involvement both during the interactive design phase and the formal consultation phases secures the openness of the process. Other means of assuring a transparent process consist of comprehensive publication of all discussed and developed material throughout the process.

ENTSOG will make extensively use of its website to make all material available which is relevant to the development of the Incremental Proposal at the following location:
<http://www.entsog.eu/publications/incremental-capacity#All>



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Search

INCREMENTAL CAPACITY

[31](#) | [2007](#) | [2013](#) | [2014](#) | [All](#)

On 30 November 2013 ENTSOG received the ACER Guidance to develop an incremental proposal to the Network Code on Capacity Allocations Mechanisms regarding incremental and new capacity and the Framework Guidelines on Harmonised Gas Transmission Tariff Structures.

The incremental proposal will consist of two parts:

The first part is an amendment to the CAM Network Code and will cover When to offer, Coordination requirements, Information provision, Integration of incremental and new capacity into the new CAM NC long-term allocation procedure and Open Season Procedures.

The second part, the segment of the TAR NC that relates to sections 2.4.1 and 3.5 of the Framework Guidelines on harmonised transmission tariff structures for gas, will cover the economic test, tariff issues related to incremental capacity and the relevant information provision.

Both these constituting parts of the incremental proposal will be developed by ENTSOG's incremental capacity group. ENTSOG will lead the incremental proposal process and will include an extensive dialogue with market participants, through stakeholder joint working sessions, technical workshops and a number of consultations.

> [1. DRAFT PROJECT PLAN FOR THE INCREMENTAL PROPOSAL](#)

> [2. KICK OFF MEETING - SJWS - WORKSHOPS](#)

> [3. ACER GUIDANCE AND EC INVITATION](#)

> [4. BACKGROUND DOCUMENTS ON INCREMENTAL CAPACITY](#)

This list of background documents all feed into to the development of the Incremental Proposal and provide a basis for the content that is reflected in the incremental proposal.

List of related documents:

| Nr | Document title | Reference | Date | Issued by: |
|----|--|------------------------|------------------|--|
| 1 | EU Regulation on conditions for access to the natural gas transmission networks and repealing Regulation | EC 715/2009 | 13 July 2009 | EC |
| 2 | EU Regulation on establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems | EC 984/2013 | 14 Oct 2013 | EC |
| 3 | ACER guidance to ENTSG on the development of amendment proposals to the Network Code on Capacity Allocation Mechanisms on the matter of incremental and new capacity | | 3 December 2013 | ACER |
| 4 | ACER Framework Guidelines on rules regarding harmonised transmission tariff structures for gas | 01/2013 | 30 November 2013 | ACER |
| 5 | CEER Blueprint on Incremental Capacity | C13-GIF-06-03 | 23 May 2013 | CEER |
| 6 | Draft ANNEXES to the CEER Blueprint on Incremental Capacity | C13-GIF-06-03a | 24 June 2013 | ACER |
| 7 | ERGEG Guidelines for Good Practice on OS procedures | C06-GWG-29-05c | 21 May 2007 | ERGEG |
| 8 | Impact assessment of policy options on incremental capacity for EU gas transmission | | February 2013 | Frontier Economics (prepared for ACER) |
| 10 | Invitation letter by EC to draft TAR NC | Ref. Ares(2013)3773211 | 19 December 2013 | EC |

| | | | | |
|----|---|---------------------------|------------------------|----|
| 11 | Invitation letter by EC to amend CAM NC | Ref. Ares(2013)3773204 | 19 December 2013 | EC |
|----|---|---------------------------|------------------------|----|

9. Risks

Developing the Incremental Proposal is a complex process which will take its starting point in the ACER Guidance. Interpretation will be an important issue and ENTSOG will work with those who have written the ACER Guidance to ensure a common understanding. Early understanding of those elements that might be conflicting is crucial to ensure the timely development of the Incremental Proposal.

The participation of a significant number of stakeholders with potentially divergent interests combined with a tight and firm deadline could be a challenge for the development of the Incremental Proposal. Early and thorough engagement of stakeholders is a key measure to mitigate this risk as much as possible.

Finally, it must be noted that the processes for the development of the Incremental Proposal and the TAR NC are interdependent, as certain tariff-related issues of the Incremental Proposal will be included in the draft TAR NC. The Commission has therefore invited ENTSOG to ensure that, where relevant, the network code amendment is developed in coordination with the work on the Network Code for Tariff Structures in Gas Transmission Networks. The deadlines for finishing the projects are firm and ENTSOG must ensure that the tight timelines are kept, asking stakeholders to respect this.

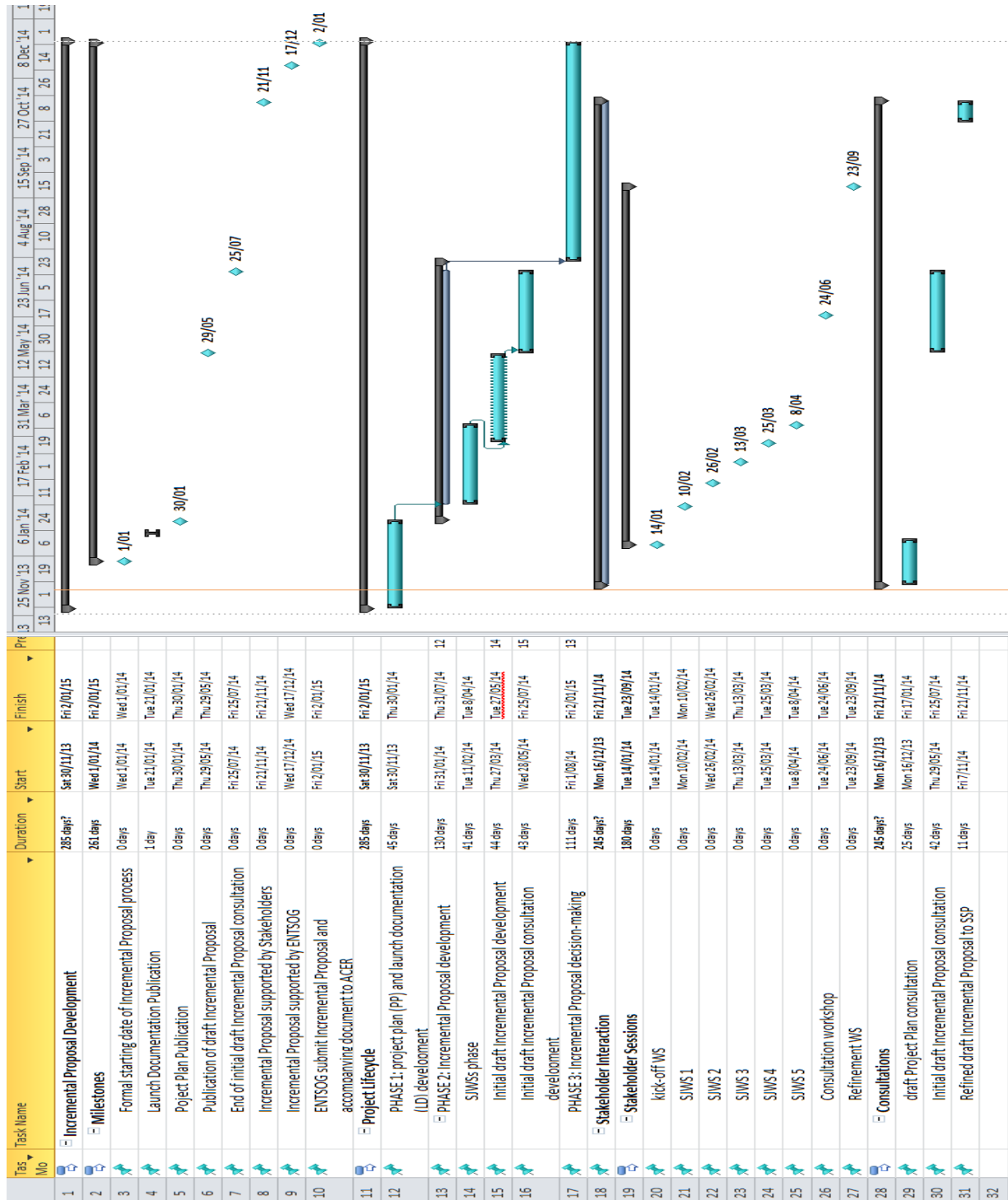
10. Consultation Questionnaire

ENTSOG is looking forward to an open and productive working relationship with all stakeholders towards the goal of completing the Incremental Proposal.

In order to ensure the best possible work process, ENTSOG received stakeholders' feedback on the proposed draft project plan for Incremental Proposal development process. Stakeholders were therefore invited to answer the following questions via an online response form:

1. What do you expect to be your organisations' level of involvement during the Incremental Proposal development (see chapter 8 for further information)?
 - (a) Prime mover
 - (b) Active SJWS participant
 - (c) Consultation Respondent
 - (d) Observer
2. In your opinion, does the draft project plan for the development of an Incremental Proposal contained in this document provide sufficient basis for quality stakeholder involvement given the timelines within which this project must be delivered? If the response is no, please propose some improvements for consideration.
3. What do you think of the proposed timeline, including the frequency and number of public meetings? Are any changes needed?
4. What do you think of the proposed topics of the incremental proposal? What other topics might be included?
5. Do you think it would be a good idea to establish live streaming of the SJWSs? Do you have any other suggestions that might enhance this participation?

11. Appendix A – Project Plan Incremental Proposal



12. Appendix B – Conclusions from the Project Plan consultation

12.1. Overview of the consultation phase

On the 19 December 2013, ENTSOG received the European Commissions' invitation letter to draft an Incremental Proposal that amends the CAM NC and will deliver input to a section in the TAR NC. On the 20 December 2013, ENTSOG published its Draft Project Plan for the Incremental Proposal asking for stakeholder input to the project plan and to determine the level of stakeholder engagement. On 14 January 2014 ENTSOG held a Kick Off Meeting to describe the key elements in the Draft Project Plan urging all relevant stakeholders to provide feedback before end of deadline on 20 January 2014. This report summarises the consultation responses received. It is intended to provide an accessible summary of the views on the issues raised in the consultation responses and could be read in conjunction with the full responses, which are available on the ENTSOG website.

12.2. Consultation responses

ENTSOG received 23 responses, none of which were marked as confidential. The consultation respondents are listed in chapter 12.3 and a list of organisation respondents can be consulted in Annex C. In addition to the respondents from the Draft Project Plan, ACER and the European Commission will be involved in all phases in the development of the Incremental Proposal. ENTSOG welcomes the participation of ACER and the European Commission and all other relevant stakeholders who wish to follow the stakeholder sessions either through participation at the SJWS and the following workshops or via Webcast. For participation of the press, please see 12.5.

12.3. Stakeholder level of participation

Regulation (EC) 715/2009 requires that ENTSOG shall “conduct an extensive consultation process, at an early stage and in an open manner, involving all relevant market participants“. In line with previous stakeholder consultation phases, ENTSOG has invited all stakeholders to indicate their intended level of participation.

In the first question in the questionnaire, stakeholders were therefore urged to express their level of engagement as described in chapter 7.

The following stakeholders expressed interest to ENTSOG to be engaged in the process as **prime movers**:

| Participant | Organisation and/or company | Name(s) |
|-------------|------------------------------------|----------------|
| 1 | OGP | Kees Bouwens |
| 2 | OGP | Davide Rubini |
| 3 | Gas Infrastructure Europe | Philipp Palada |
| 4 | EFET/Gazprom Marketing and Trading | Alex Barnes |

The following stakeholders expressed interest to ENTSOG to be engaged in the process as **Active SJWS participants**:

| Participant | Organisation and/or company | Name(s) |
|-------------|--------------------------------------|----------------------|
| 1 | EFET | Maria Popova |
| 2 | EDF | Amroze Adjuward |
| 3 | Eni | Simone Rossi |
| 4 | Centrica | Helen Stack |
| 5 | Eurogas | Margot Loudon |
| 6 | BP Gas Marketing | Andrew Pierce |
| 7 | Edison SpA | Elisa Rondella |
| 8 | GDF SUEZ | Jean-Louis Martinaud |
| 9 | Trans-Adriatic Pipeline | Cristiano Francese |
| 10 | GDF SUEZ Infrastructures | Sylvie Denoble-Mayer |
| 11 | German Chemical Industry Association | Alexander Kronimus |
| 12 | IFIEC Europe | Valentin Höhn |
| 13 | Gazprom Export | Andrey Konoplyanik |

The following stakeholders expressed interest to ENTSOG to be engaged in the process as **Consultation respondents**:

| Participant | Organisation and/or company | Name(s) |
|-------------|--------------------------------------|---------------------|
| 1 | Eurelectric | Sébastien Doligé |
| 2 | GasTerra B.V. | Ivelina Boneva |
| 3 | Gazprom Marketing & Trading | Francisco Goncalves |
| 4 | AGGM Austrian Gas Grid Management AG | Eric Gilhaus |
| 5 | EDF Trading | Andrea Bonzanni |

The following stakeholders expressed interest to ENTSOG to be engaged in the process as **Observers:**

| Participant | Organisation and/or company | Name(s) |
|-------------|-----------------------------|--------------|
| 1 | RWE Supply & Trading GmbH | Stephen Rose |

12.4. Summary of responses to consultations questions

In the boxes below, ENTSOG provides a high-level summary of the consultation responses received. To facilitate the reporting process, respondents' answers and remarks were tallied in representative groups.

Question 2: In your opinion, does the draft project plan for the development of an Incremental Proposal contained in this document provide sufficient basis for quality stakeholder involvement given the timelines within which this project must be delivered? If the response is no, please propose some improvements for consideration.

| | |
|----|-----------|
| 22 | Yes |
| 0 | No |
| 1 | No answer |

Sample of stakeholder answers:

"[...] the project plan provides a reasonably good basis for a quality stakeholder involvement."

"[...] the draft project plan for the development of Incremental Proposal provides sufficient information for stakeholders to have a clear view on this year's work."

"We appreciate ENTSOG's efforts to develop a project plan that allows stakeholders to be fully involved in the process of elaboration of the incremental proposal."

Question 3: What do you think of the proposed timeline, including frequency and number of meetings? Are any changes needed?

| | |
|-----------|--|
| 1 | No response |
| 20 | Paraphrased response: "Fine. A tight schedule, but no changes are needed to the timeline." |
| 2 | Paraphrased response: "Acceptable. But important to reevaluate the timeline between 2 nd and 3 rd phases and to give stakeholders flexibility when providing feedback" |

Sample of stakeholder answers:

"[...] we would like to underline the importance of giving to stakeholders enough time to respond to written consultations; this is really necessary for associations with a large membership. Workshops and meetings are as important as written answers."

"The timeline is tight but should be achievable. The number of meetings seems appropriate."

"It is important that this work stream on incremental capacity runs in parallel with the development of the Network Code on Tariffs in order to ensure full coherence of tariff-related incremental capacity provisions with the main body of the Network Code."

Question 4: What do you think of the proposed topics of the Incremental Proposal? What other topics might be included?

Sample of stakeholder answers:

"We believe the list of proposed topics is fine. We would like to ask ENTSG to publish well in advance on its website the preparatory documents that need to be read before the workshops take place."

“[...] issues related to tariffs (the economic test, tariff issues related to incremental capacity and relevant information provisions) will not only be addressed in the NC CAM adaptation process. We think it is important to also discuss these issues during the SJWSs on TAR in order to ensure consistency.”

“[...] special focus should be done on the “f factor” (f and 1-f) and the determination of its parameters, since its major importance in the economic test.”

“[...] would like a clear discussion and assessment about the different options for auctions and open seasons that have been proposed in CEER’s Blueprint for Incremental Capacity. [...] an objective analysis of pros and cons should be carried out in order to define the best-suited solution. We also believe that numerical examples should be provided by ENTSOG as they are of great value to help stakeholders to understand the issues at stake.”

“During the process it is important to provide concrete simulations and examples on how the incremental capacity mechanisms will work.”

“During the SJWSs (similarly to what happened for the NC CAM) we recommend to present practical and numerical simulations, at least on the following issues: Auction design, Open Season procedures and application of the Economic Test. Also, having some considerations of the Impact Assessment presented and discussed already during the SJWSs phase would prove very useful for stakeholders. Finally, it is important that, as it was in the past; – during the SJWSs – an open and fair discussion between all the stakeholders is guaranteed, in order to maximize the benefits coming from the meeting.”

“The topics proposed by ENTSOG cover all the necessary elements identified by the ACER framework guidelines for the definition of the CAM code on incremental capacity.”

“We agree with the proposed topics provided that they are looked at in the context of the Gas Target Model and the implementation of the various Network Codes. A topic we would suggest ENTSOG to consider is the interaction between congestion management and the triggering of investment in incremental capacity as it is crucial that additional capacity is built to address real physical congestion issues rather than mere contractual ones.”

Question 5 (a): Do you think it would be a good idea to establish live streaming of the SJWS?

| | |
|-----------|-----------|
| 22 | Yes |
| 0 | No |
| 1 | No answer |

Question 5 (b): Do you have any other suggestions that might enhance this participation?

Stakeholder answers:

"[...] it is a good idea to have live streaming of the SJWSs as this will further support stakeholder engagement. However, ENTSOG might consider requiring parties to register for the streaming sessions as well as for the workshops."

"Yes the high standard of live streaming should be maintained. The method for providing comments or questions to the Chair for online views could be improved. Or online participants could be given the opportunity to submit questions before the meeting starts."

"There are arguments for and against. It will offer a low-cost means of participation, free of travel hassle, convenient for company representatives. On the other hand, you may increasingly find that the SJWS are dominated by Brussels-based representatives, and face to face discussions with a wider range of stakeholders are reduced."

12.5. ENTSOG conclusions from the project plan consultation

Level of participation

ENTSOG is pleased with the stakeholder interest towards the project plan consultation and the number of responses given. ENTSOG therefore looks forward to engage actively with Prime Movers, Active SJWS participants and all other relevant stakeholders at the SJWS and anticipates a high level of engagement throughout the development of the Incremental Proposal.

Stakeholder involvement in the project:

Stakeholders indicated that the project plan provides a good basis for engaging stakeholders and ENTSOG will therefore maintain the number of SJWS and workshops as indicated in the original plan. Learning from past experience, a sufficient number of meetings engaging with the stakeholders help secure a sound understanding of the content issues when drafting the Incremental Proposal. The quality of stakeholder inputs is essential, and all stakeholders are therefore requested to make relevant contributions and raise ideas and solutions at the earliest opportunity in the development process. This will improve the possibilities for developing a robust Incremental Proposal for its later formal consultation with stakeholders.

Timeline for the project:

The European Commission has invited ENTSOG to draft the Incremental Proposal until 31 December 2014, providing the same timeline (12 months) as in the development of a network code proposal. ENTSOG will therefore maintain the timeline that is set out in the Project Plan.

Topics for the SJWS:

The majority of the stakeholders agreed with the outlined topics as set out in the project plan. Some stakeholders advocated that ENTSOG should particularly focus on issues relating to the f-factor and the Open Season processes. Both these subjects will be amply explored and discussed during the various SJWS.

One stakeholder wanted to commence the discussions on Impact Assessment already during the SJWS phase. Another respondent stressed the importance of discussing the suggested topics in the context of the Gas Target Model and implementation of the Network Codes, and to consider the interaction between congestions management and the triggering of investment in incremental capacity. Due to the tight schedule of the project timeline and the already identified topics in the ACER Guidance, ENTSOG will prioritise the subjects that have been identified in the ACER Guidance during the SJWS. However, all content-related discussions can

be considered in the context in which the Incremental Proposal are a part of and encourage stakeholders to raise such issues during the discussions and exploration of the aforementioned subjects.

A number of stakeholders also expressed a demand for simulations and games in order to demonstrate how incremental capacity would work in practise and thus improve the understanding of the underlying mechanisms. ENTSOG will accommodate this request and will develop a practical or numerical simulation game in the later sessions.

Webcast:

All stakeholders thought it is useful to be able to participate via the webcasting service. This service would be very useful for those who are unable to participate physically in the meeting and will avoid travel time and expenses. ENTSOG has therefore decided to continue to offer the webcast service for the five SJWS and the following workshops.

One stakeholder asserted that viewers should be registered in order to have some control over the viewers. Viewers of the webcast will always be requested to state their name and organisation in order to obtain a password for the webcast. Another viewer stated that webcast viewers could submit questions before the SJWS allowing for the question to be raised at the appropriate time. Since the webcast service allows for this service, all viewers are encouraged to write questions before the SJWS, indicating when their questions could be raised.

Press participation at the SJWS:

Consistent with previous stakeholder involvement, the SJWS will be exclusively reserved for the industry-related stakeholders and the institutions (ACER, EC etc.) who are involved directly in the process. This includes both the physical meetings and the webcasts. However, the press will be able to get access to materials directly from the ENTSOG website, shortly after the event has taken place.

13. Annex C: List of organisations responding to the Project Plan consultation

| Respondent | Organisation and/or company |
|------------|--|
| 1 | AGGM Austrian Gas Grid Management AG |
| 2 | BP Gas Marketing |
| 3 | Centrica Plc |
| 4 | EDF |
| 5 | EDF Trading |
| 6 | Edison SpA |
| 7 | Eni |
| 8 | Eurelectric |
| 9 | EUROGAS |
| 10 | European Federation of Energy Traders (EFET) |
| 11 | Gas Infrastructure Europe |
| 12 | GasTerra B.V. |
| 13 | Gazpromexport |
| 14 | Gazprom Marketing & Trading |
| 15 | GDF SUEZ |
| 16 | GDF SUEZ Infrastructures |
| 17 | German Chemical Industry Association |
| 18 | IFIEC Europe |
| 19 | OGP |
| 20 | RWE Supply & Trading GmbH |
| 21 | Trans-Adriatic Pipeline |