entsog

european network
of transmission system operators
for gas

CONGESTION MANAGEMENT PROCEDURES GUIDELINES

2025

IMPLEMENTATION AND EFFECT MONITORING REPORT

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Picture courtesy of TAP

1 EXECUTIVE SUMMARY

The Guidelines for Congestion Management Procedures (CMP GL) were adopted on 24 August 2012 as "Commission Decision on amending Annex I to Regulation (EC) No 715/2009[1]". The implementation date was 1 October 2013.

Article 26(7) of Regulation (EC) 2024/1789 requires ENTSOG to *'monitor and analyse the implementation of the network codes and the Guidelines [...] and their effect on the harmonisation of applicable rules aimed at facilitating market integration'. Article 26(7) also requires ENTSOG to 'report its findings to ACER and shall include the results of the analysis in the annual report [...]'.* Since July 2016, ENTSOG also has to monitor if the TSOs have implemented Firm Day-Ahead Use-It-Or-Lose-It (FDA UIOLI) in case their IPs are labelled as "congested" in ACER's Congestion Report.[2]

The report reflects the status of the CMP GL implementation end of 2024 while it shows the effect of the CMP GL for the Gas Years (GY) 2022/2023 and 2023/2024. Information was collected by ENTSOG from European gas TSOs. The results of the CMP GL Monitoring report will also be published in the ENTSOG Annual Report 2024. ENTSOG has aimed at producing a report which can be considered supplementary to ACER's reports. ENTSOG's focus is to identify to what extent the main aims of the CMP GLs have been achieved.

The **implementation monitoring** part of this report shows that only one TSO did not implement the CMP measures by the end of 2024 and these measures are expected to be implemented by October 2025. In addition, this report shows that the CMP measure Firm Day Ahead Use It or Lose It (FDA UIOLI) has been used by twenty TSOs, and the measure has had an effect when used.

The **effect monitoring** part of this report shows the gas years under analysis have a significantly higher level of congestion than the previous years. The gas year 2022/2023 shows the highest level of congestion, which was to be expected since the gas flows from Russia minimalized. The gas year 2023/2024 shows a potential trend of decrease in congestion. Furthermore, the current ways of offering additional capacity through existing CMP mechanisms allow network users to access the market in situations where IPs are contractually congested. The reallocation of this capacity was relatively low, which indicates a low market interest.

1 Annex 1 to the Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024

2 This obligation is coming from the CMP Annex 2.2.3.1, see Annex 4.1.

2 IMPLEMENTATION MONITORING

2.1 INTRODUCTION AND IMPLEMENTATION STATUS

For the implementation monitoring of the CMP GL, the questionnaire was sent to TSOs which had not fully implemented the CMP GL when the last report was produced and to TSOs which had IPs that were congested in calendar year 2023 published in the 2024 ACER congestion report.

For this report, a total of 21 TSOs were asked to complete the implementation questionnaire:

- 20 TSOs due to the fact that they had one or more IPs labelled as "congested" in ACER's 2024 congestion report and do not already have FDA UIOLI in place.
- 1 TSO due to the fact it was in the process of implementing the CMP measures in the last monitoring report, this TSO also had one or more IPs labelled as "congested" in ACER's 2024 congestion report.

The TSOs which had congested points, were asked if the CMP measure Firm Day Ahead Use It or Lose It (FDA UIOLI) had been implemented, and if so, if this measure resulted in an offer of capacity in the period 2023–2024.

If the CMP measure FDA UIOLI was not implemented, the TSO was asked if it was planning on implementing this measure and in what implementation date would be.

Across the member states, Europe has 43 TSOs. Of these 43 TSOs, there are 38 that have implemented the CMP Guidelines. The remaining 5 TSOs[3] have either a derogation, or have no IP's which evidently means that CMP Guidelines do not have to be implemented.

3 The five TSOs who have not implemented the CMP GLs are: CREOS Luxembourg, which holds a derogation, Infrastrutture Trasporto Gas, Società Gasdotti Italia, Swedegas AB, and Transgaz which is the only TSO still in the process of implementing the CMP GLs.

There are 21 TSOs that were in the situation of having at least one of their IPs labelled as congested in ACER's Congestion Report 2024. These TSOs come from 14 different Member States:

EU Member State	TSO(s)
Austria	Gas Connect Austria TAG
Belgium	Fluxys Belgium
Bulgaria	Bulgartransgaz
Croatia	Plinacro Ltd
Czech Republic	NET4GAS
France	NaTran (formerly GRTgaz) TÉREGA
Germany	bayernets GASCADE Gastransport Gasunie Deutschland Open Grid Europe OPAL Gastransport terranets bw
Greece	DESFA
Hungary	FGSZ
Italy	Snam Rete Gas
Slovenia	Plinovodi
The Netherlands	GTS
Romania	Transgaz
Spain	Enagas

Table 1: Member states and TSOs with congested points

The 21 TSOs listed in table 1 had one or more congested points in 2023. Twelve of these TSOs have implemented FDA UIOLI, and nine of these TSOs (including the one TSO which did not implement CMP Guidelines), have not implemented FDA UIOLI.

The two main reasons for not implementing the FDA UIOLI are the application of oversubscription and buy back (OS+BB) and the offering of interruptible capacity.

2.2 CONCLUSIONS IMPLEMENTATION MONITORING

All but one ENTSOG members have fully implemented the CMP GLs. ENTSOG stated in their previous implementation report (covering 2021–2022) that when it comes to the choice between OS+BB and FDA UIOLI, most NRAs have approved the implementation of the OS+BB mechanism instead of FDA UIOLI.

In this implementation monitoring report, we see a shift towards FDA UIOLI due to a higher congestions than in the past requiring its implementation: twelve of the 21 that had to implement it, did it effectively. In most cases (nine out the twelve situations), this resulted in an offer of capacity.

3 EFFECT MONITORING

3.1 INTRODUCTION

The collected data for effect monitoring corresponds to the gas years 2022/2023 and 2023/2024. Only TSOs with IPs identified as "congested" by ACER in either of its two latest contractual congestion reports[4] contributed to the data collection for the effect monitoring. As such, a total of 24 TSOs were asked to complete the questionnaire. To measure the effects of CMPs in the European market, ENTSOG and its members agreed on two indicators that show the impact of introducing congestion management mechanisms at IPs. Effect monitoring is performed only on the side of the IP labelled as congested by ACER.

4 10th and 11th ACER Reports on Contractual Congestion in the EU Gas Markets

Picture courtesy of terranets bw

3.2 CMP EFFECT MONITORING INDICATORS

3.2.1 INDICATOR 1 (CMP.1): ADDITIONAL CAPACITY VOLUMES MADE AVAILABLE THROUGH EACH CMP

- **Premise 1:** gas years to be used are 2022/2023 and 2023/2024
- **Premise 2:** MWh/h/y is used as the unit for every product to monitor the evolution of the below mentioned ratio by gas year for each of the 4 CMP measures.

Calculation formula:

$$CMP.1x = \frac{ACMPx}{OCMPx} \times 100$$

Where:

CMP.1x: Return ratio of additional capacity allocated through a given CMP measure, relative to the total additional capacity offered through the given CMP measure.

ACMPx: Sum of additional capacity allocated through a given CMP measure.

OCMPx: Sum of additional capacity offered through a given CMP measure.

Interpretation:

CMP.1x = 100: All the additional capacity offered through the CMP measure has been allocated, indicating a high market demand for this additional capacity. It also indicates a high efficiency of the CMP measure that allows for the complete reallocation of capacities.

CMP.1x < 100: This indicates that not all the additional capacity offered through the CMP measure was allocated, meaning there was a lower market demand for this additional capacity during the period under consideration. It can also indicate the level of efficiency of the CMP measure in reallocation of capacities.

The *"x"* in *CMP.1x, ACMPx* and *OCMPx* is to be replaced with one of the following numbers, depending on the CMP measure it was calculated for:

- *1* for Oversubscription and Buy-Back
- *2* for Firm Day-Ahead UIOLI
- *3* for Surrender of Contracted Capacity
- *4* for Long-term UIOLI

Note: If the amount of unused capacity reallocated by TSOs to the market measures the effectiveness of CMP, a deeper analysis of congested IPs will also be needed to gain a better understanding of the specific situation at each IP.

3.2.2 INDICATOR 1 (CMP.1): RESULTS

The following tables show the results for indicator CMP.1 for the GY 2022/2023 and 2023/2024. The analysis includes data from 47 IP sides in GY 2022/2023 and 33 IP sides for GY 2023/2024. Figure 1 provides an overview of the CMP capacity offered and reallocated in the last four gas years.

Gas Year 2022/2023

	OS+BB	FDA UIOLI	SURRENDER	LT UIOLI
Additional Capacity Offered (MWh/h/y)	30,924.39	482,556.48	36,416.37	–
(Re)allocated Capacity (MWh/h/y)	7 414.31	8 398.00	27.13	–
Ratio	**24.0 %**	**1.7 %**	**0.1 %**	**–**

Table 2: Overview of additional and (re)allocated capacity for GY 2022/2023

Gas Year 2023/2024

	OS+BB	FDA UIOLI	SURRENDER	LT UIOLI
Additional Capacity Offered (MWh/h/y)	36,643.72	165,533.75	32,427.04	0
(Re)allocated Capacity (MWh/h/y)	231.89	6,980.37	0	0
Ratio	**0.6 %**	**4.2 %**	**0 %**	**–**

Table 3: Overview of additional and (re)allocated capacity for GY 2022/2023

As shown in table 2 and 3, very little capacity was re-allocated for both Gas Years 2022/2023 and 2023/2024. Firm Day Ahead Use It or Lose It had the highest offer of capacity, and a fraction of this capacity was reallocated.

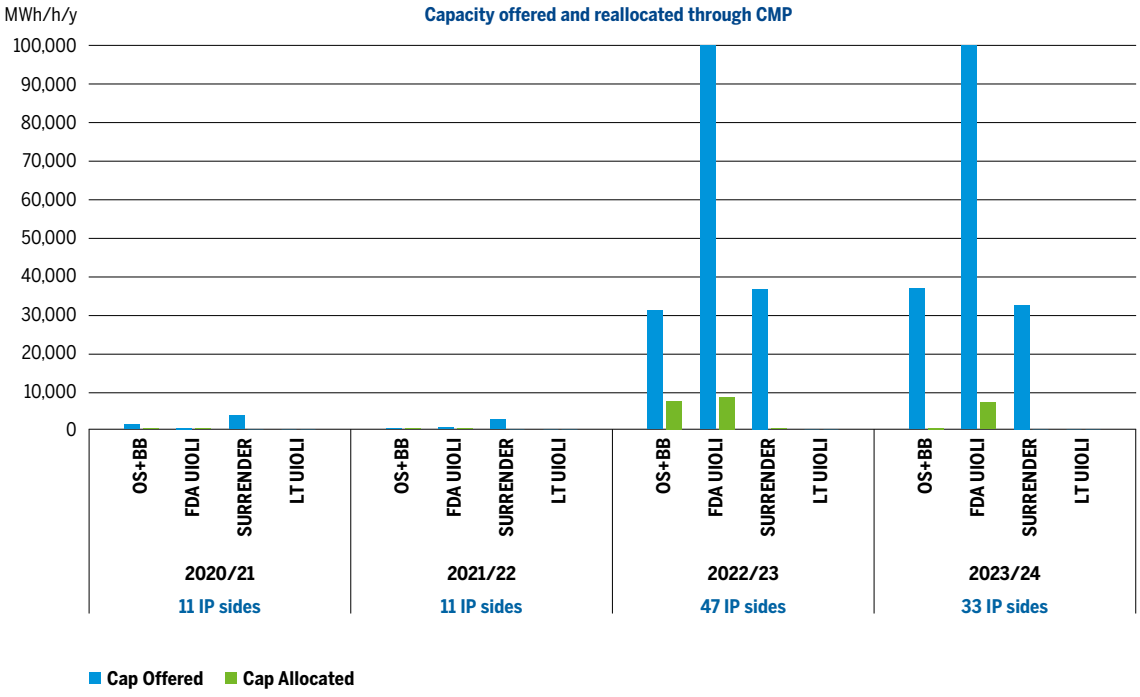

Figure 1: Bundled firm capacity allocated

Picture courtesy of TAP

3.2.3 INDICATOR 2 (CMP.2): SHARE OF CAPACITY REALLOCATED THROUGH CMP AMONG TOTAL CAPACITY REALLOCATED

Calculation formula:

$$CMP.2 = \frac{ACMPx}{(ACMP + ASM)} \times 100$$

Where:

CMP.2: Return ratio of additional capacity allocated through all CMP measures relative to the total allocation of additional capacity within a definite period of time.

ACMP: Sum of allocated additional capacity offered through all CMP measures within a definite period of time.

ASM: Sum of allocated capacity acquired from organized secondary markets within the same period.

Interpretation:

CMP.2 = 100: All reallocated capacity is supplied through CMP measures applied by TSOs

CMP.2 < 100: This indicates that network users reallocate some capacity themselves using the secondary markets and not only through CMP measures applied by TSOs

3.2.4 INDICATOR 2 (CMP.2): RESULTS

Also for this indicator, 47 IP sides were included in the analysis for gas year 2022/2023 and 33 IP sides for the gas year 2023/2024.

In table 4, we can see that both means of re-offering unused capacity, via CMP mechanisms and via the secondary market, have been used in Europe during the past two gas years.

	CMP		Secondary	
Gas Year	**Offered**	**Allocated**	**Offered**	**Allocated**
2022/2023	549,897	15,839	10,513	10,483
2023/2024	234,604	7,212	2,539	2,539

Table 4: Results of the CMP indicator 2, in MWh/h/y

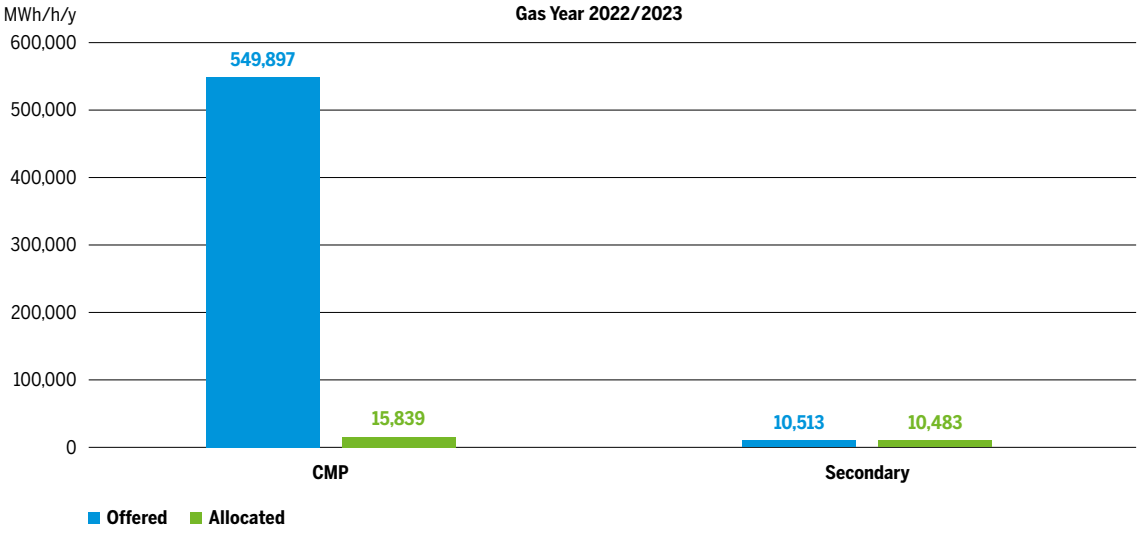

Figure 2: Results of CMP indicator 2 in MWh/h/y for GY 2022/2023

$$CMP.2 = \frac{ACMPx}{(ACMP + ASM)} \times 100 = \mathbf{60.17\,\%}$$

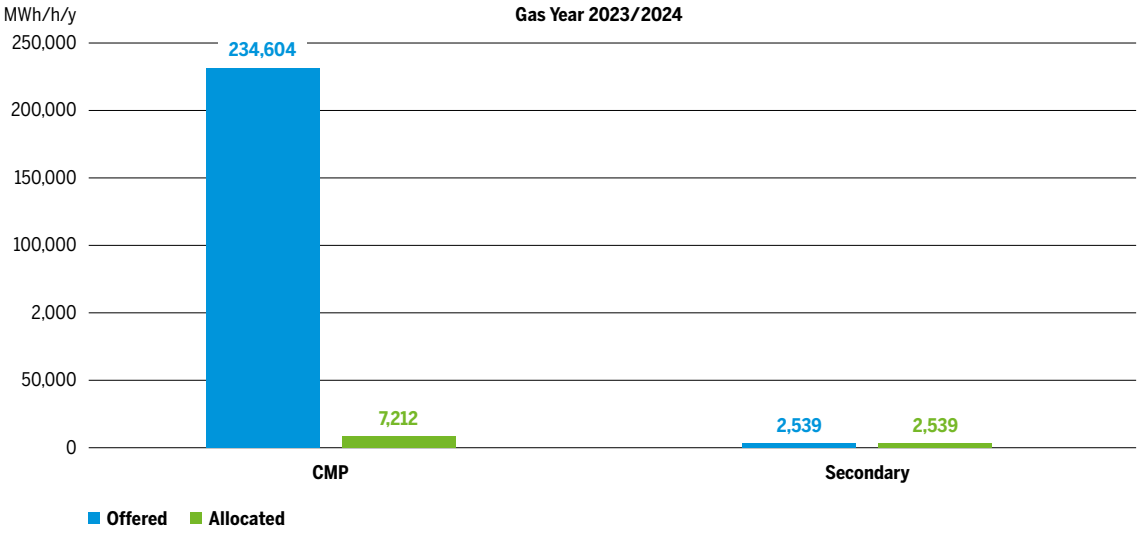

Figure 3: Results of CMP indicator 2 in MWh/h/y for GY 2023/2024

$$CMP.2 = \frac{ACMPx}{(ACMP + ASM)} \times 100 = \mathbf{73.96\,\%}$$

In comparison with the previous gas years, there has been a surge in the additional capacity that was offered on congested IPs. This is also the case when comparing the reallocated capacity. This is mostly driven by the higher number of congested points: from 11 congested IPs in both Gas Years 2020/21 and 2021/22, to 47 and 33 in respectively the Gas Years 2022/23 and 2023/24. As shown in the indicators CMP.1 and CMP.2, the majority of the reallocated gas originates from the CMP measures: in Gas Year 2022/2023, 60.17 % of the reallocated gas originates from CMP measures, in the Gas Year 2023/24 this is 73.96 %. Almost all of the capacity that is offered on the secondary market is reallocated; which is due to the way of reporting: TSOs normally report only closed deals. However, it gives a good indication on the size of the secondary market.

3.3 CONCLUSIONS EFFECT MONITORING

The final analysis allows the following conclusions to be drawn:

- The current ways of offering additional capacity through existing CMP mechanisms allow network users to still access the market in situations where IPs are contractually congested. Although the number of congested IPs and the volume of the offered capacity rose significantly in the last two gas years, there was capacity reallocated. The reallocation of this capacity has been relatively low, indicating low market interest.
- The gas years under analysis have shown significantly higher level of congestion in comparison to previous ones. However, positive trend of decrease between these two years can be observed. The same can be said for the number of congested IPs: 2022 had 47 congested points, the highest number of congested points since 2015, and declined to 33 congested points in 2023.
- As mentioned in the last report, it has proven to be difficult to analyse and draw conclusions from previous GYs since the IP sides included in the analysis differ from year to year, depending on which IPs are found to be congested in the ACER contractual congestion reports. It can however be concluded that the most used measures vary between the gas years. In 2020/2021 and 2021/2022 OS+BB had the highest ratio of allocated capacity among the four CMP measures. This was also the case in gas year 2022/2023, but in 2023/2024 FDA UIOLI had the highest ratio.


Picture courtesy of GAZ SYSTEM

4 ANNEX

4.1 CMP ANNEX 2.2.3.1

National regulatory authorities shall require transmission system operators to apply at least the rules laid down in paragraph 3 per network user at interconnection points with respect to altering the initial nomination if, on the basis of the yearly monitoring report of the Agency in accordance with point 2.2.1(2), it is shown that at interconnection points demand exceeded offer, at the reserve price when auctions are used, in the course of capacity allocation procedures in the year covered by the monitoring report for products for use in either that year or in one of the subsequent two years,

(a) for at least three firm capacity products with a duration of one month or

(b) for at least two firm capacity products with a duration of one quarter or

(c) for at least one firm capacity product with a duration of one year or more or

(d) where no firm capacity product with a duration of one month or more has been offered.

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