ENTSOG CAM Network Code

Presentation of the ACER CAM framework guideline

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ACER CAM FG presentation – Ljubljana – 7th March 2011
1. ENTSOG view on the ACER CAM framework guideline
2. CAM framework guideline process
3. ENTSOG work on the CAM framework guideline
4. Requirements to propose a straight-forward code
5. Conclusions
1. ACER CAM framework guideline

- ENTSOG welcomes the aspiration for harmonised conditions
- Work on the NC has started on the basis of ERGEG’s FG

Existing contracts

- Pilot CAM NC should improve National Codes/Access Conditions and foster EU harmonization
- No party should be exposed to financial risks or legal challenges

ENTSOG sees auctions as the core element of CAM

- Interruptible capacity, operational aspects and other indirectly linked areas to be seen as complementary
- Need to consider work on BAL, TAR and the CMP comitology proposal
1. ACER CAM framework guideline

Challenges with cross-border capacity to be managed

- CMPs
- Changes of contracts undefined
- Virtual Interconnection Point
  - Taxation, tariffs, over- & under-recovery
  - No flange trading
- Capacity offer might be reduced at specific points
- Interaction with Balancing must be considered
- Obligation / voluntary
- Bundled products
- Existing contracts
- Taxation, tariffs, over- & under-recovery

May want to consider step-by-step approach
2. Framework guideline process

Handling of parallel streams

Complex interactions between the topics

- Outcome of ACER CAM FG process highly important to the TSOs’ work on the code
- Direction and evolution must be known
- Early understanding of amendments essential
- Close working relationship with ACER essential
- ACER, Commission and ENTSOG to liaise closely
3. ENTSOG work on the CAM network code

- Process characterised by interactive engagement of market parties
- 9 + [x] meetings and 3 consultations / written procedures planned
3. ENTSOG work on the CAM network code

Project phase 1 – review

- Early reparation work completed
- Bilateral and common meetings with stakeholders held
- CAM NC project plan published less than two weeks after invitation
- Stakeholder interaction guidelines published
- Kick-off meeting with users organised on publication day
- Consultation until the 23rd of February 2011
  - Seeking views on planning and stakeholder commitments

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3. ENTSOG work on the CAM network code

Project plan consultation feedback

• Preparatory work allowed two weeks consultation
• 34 stakeholder reactions received:
  o Strong emphasis on stakeholder involvement is appreciated
  o Organisations welcome additional bilateral meetings
  o Proposed balance between interactive code development and formal consultation supported
  o Planning considered credible given the tight time-scale
  o Permanently updated website to be used for communication
  o To be clarified how the ACER process influences the 12 months
• Six “Prime Movers”
3. ENTSOG work on the CAM network code

Project phase 2 – outlook

• Finalisation of project plan
• Early stakeholder meeting on the 9th of March 2011
• Preparation of “launch documentation”
  o Key concepts for Stakeholder Joint Working Session” (SJWS)
  o Publication on 23rd March 2011

Project phase 3 – outlook

• Interactive network code development – SJWS
• Drafting of the network code until June 2011
3. ENTSOG work on the CAM network code

Key concepts of the launch documentation

- Interruption Procedures
- Auction Design for existing capacity
- Concept for cross-border capacity
- Alignment of interr. services
3. ENTSOG work on the CAM network code
3. ENTSOG work on the CAM network code

ENTSOG > Capacity Co-ordination

In September 2008 the European Commission has officially invited ENTSO-E to develop a Framework Guideline on Capacity Allocation. ENTSO-E is taking the steps towards the drafting of the Network Code on Capacity Allocation by fostering the dialogue between the Users, ENTSO-E and European Commission.

This website provides relevant information, documents (comprising position papers and consultation material) throughout all processes.

For any further question please contact:

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CAM Network Code relevant documents

- ACEF draft Framework Guideline on CAM (DFGC_2011G001)
  3 Mar 2011 0.16 Mb
- Commission invitation to draft the CAM NC
  27 Jan 2011 0.59 Mb
- ENTSO-E final revised Framework Guideline on CAM (E1C-046-71-03)
  7 Dec 2010 0.08 Mb

CAM Network Code Project Plan

- Stakeholder meeting on responses and further work
  9 Mar 2011 0.23 Mb
- ENTSO-E CAM Network Code General Project Plan (CAP0000-11)
  9 Feb 2011 0.32 Mb
  Project Plan Consultation Responses
  1 Mar 2011 0.21 Mb
- Guidelines on Stakeholder Engagement Process
  17 Feb 2011 0.10 Mb

Other Publications

Interoperability
Investment
Regional Co-operation
Tariffs
Transparency
Other Publications
4. Requirements to produce network code

ENTSOG assumptions to define the code

- Proposed concepts should not be financially undermined
- Tariff design to encourage appropriate user bookings
  - Long-term commitments to fairly apportion costs and risks
  - Rules to provide business opportunities for suppliers, whole sale, traders, importers, etc.
- Arrangements must allow TSOs to generate their revenues
- Should be understood that associated costs are acknowledged
  - Human resources and related expenses
  - Sophisticated (real-time) IT systems need to support regime
5. Conclusions

- ACER, Commission and ENTSOG to coordinate the parallel processes
- Take account of the interlinks of other areas
- Definition of straight-forward rules require a common understanding on pre-conditions to generate confidence
- Implementation is the key (economical viability and timelines)

- ENTSOG welcomes the work on the network code
- All parties must be fully engaged in the processes
Thank You for Your Attention

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