



ENTSOOG Capacity

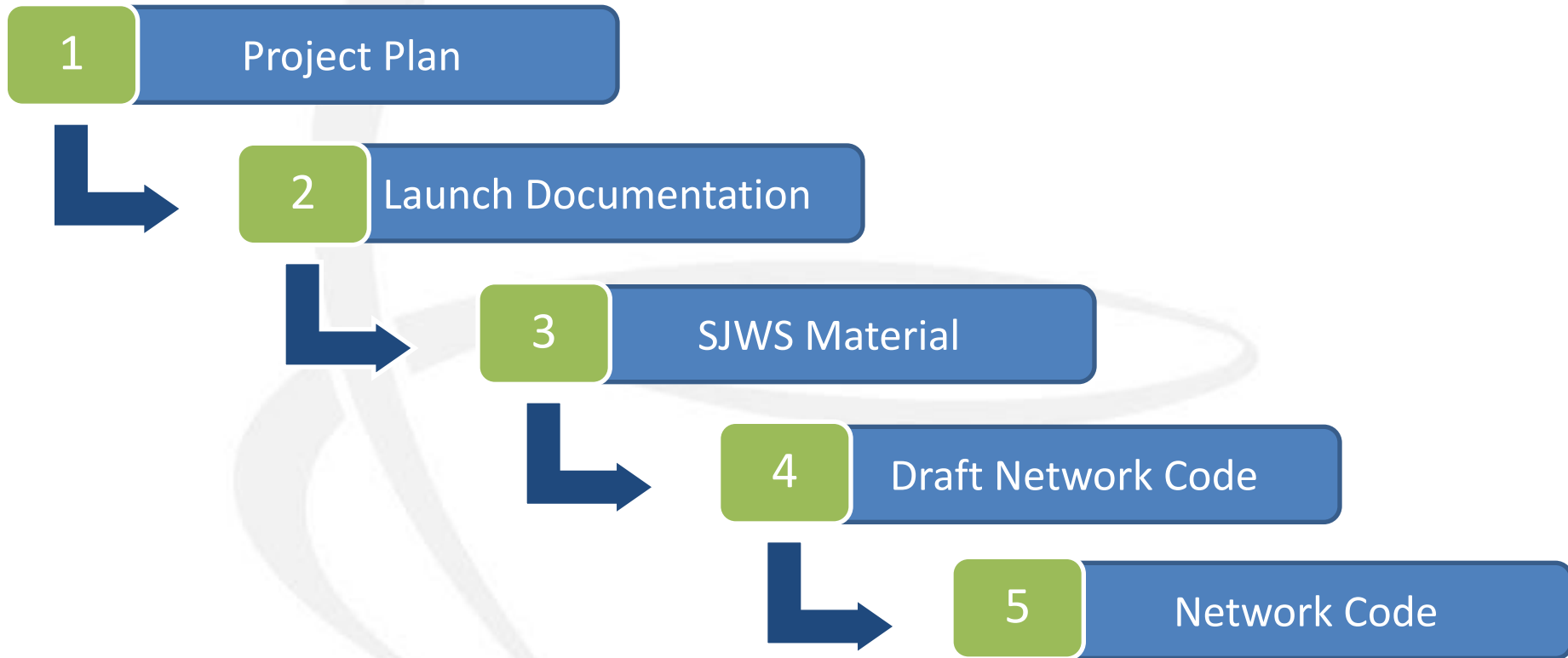
Development of the CAM network code

Frank Roessler
Subject Manager

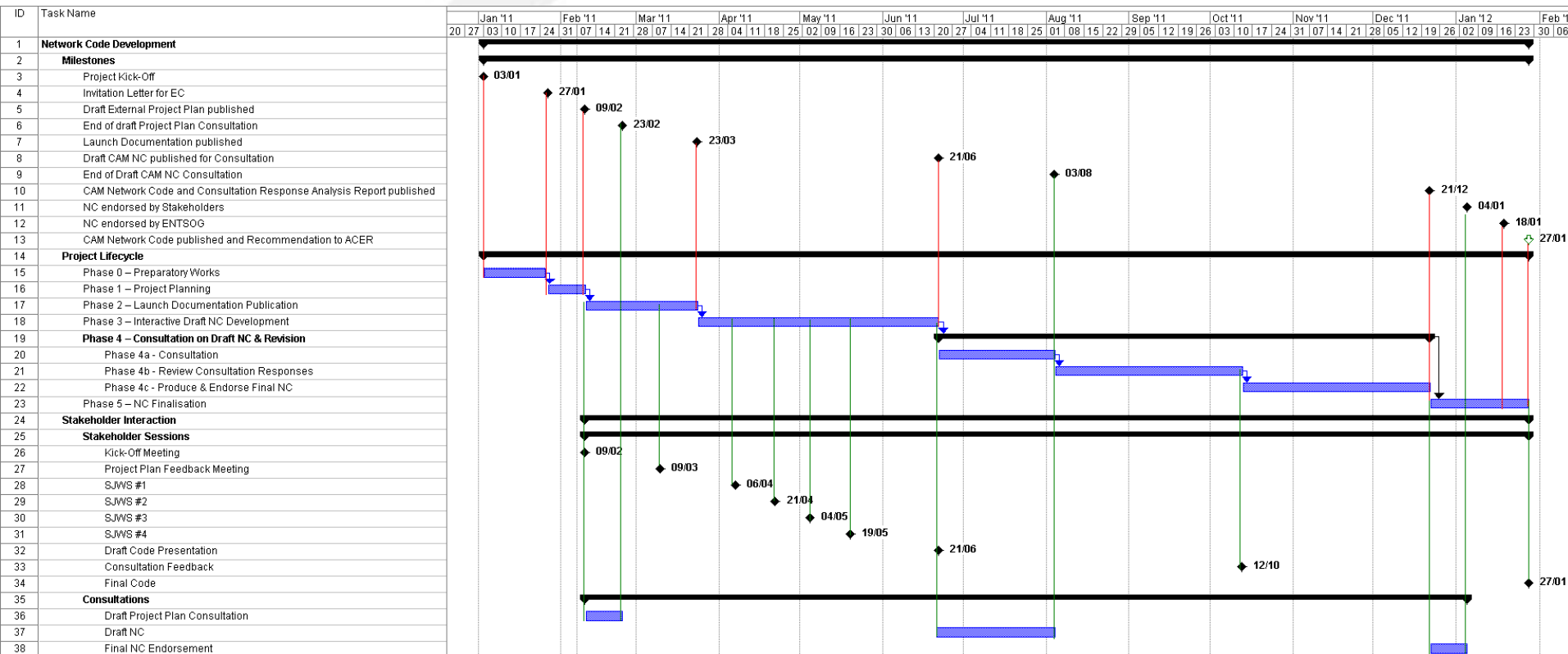
Madrid Forum XIX – 22nd March 2011

1. Planning the twelve months period

From the plan to the code



1. Planning the twelve months period



- Process characterised by interactive engagement of market parties
- 9 + [x] meetings and 3 consultations / written procedures planned

1. Planning the twelve months period

- Preparatory work allowed for two weeks consultation
 - Late responses received have been treated to ensure maximum adherence to the process
- 34 stakeholder reactions received
 - All have been published, with ENTSOG view on each relevant comment
- General feeling from the consultation
 - Strong emphasis on stakeholder involvement is appreciated
 - Proposed balance between interactive code development and formal consultation supported
 - Planning considered credible given the tight time-scale

Stakeholders expressed support of the project plan

1. Planning the twelve months period

5 Prime Movers

| Participant | Name | Company |
|-------------|------------------------|-------------------------------|
| 1 | Friedrich von Burchard | E.ON Ruhrgas |
| 2 | Claude Mangin | GDF SUEZ |
| 3 | Alex Barnes | Gazprom Marketing and Trading |
| 4 | Helen Stack | Centrica |
| 5 | Kees Bouwens | ExxonMobil |

| Participant | Name | Company |
|-------------|------------------------------------|---------------------|
| 1 | Ralf Presse | RWE S&T |
| 2 | Mathieu Lanéelle | Total |
| 3 | Peter J. Zehetner | Tauerngasleitung |
| 4 | Valentin Höhn | VIK / IFIEC |
| 5 | Steinar Solheim | Yara / IFIEC |
| 6 | A.J. Algra | Gasterra |
| 7 | Francesca Zanella | Eni S.p.A |
| 8 | Andrew Pearce | BP |
| 9 | Mark Dalton | BG group |
| 10 | Dirk-Christof Stüdemann | EnBW |
| 11 | Bernardo RANGONI, Guiseppe Lorubio | Eurelectric |
| 12 | Margot Loudon | Eurogas |
| 13 | Martina Beitke | CEFIC |
| 14 | Lieven Stalmans | Borealis |
| 15 | Christian Thole, Carmen Gimeno | Geode |
| 16 | Gunnar Steck | E.ON Energy Trading |
| 17 | Christiane Sykes | Statoil |
| 18 | Manuel Coxé | EuroPEX |

18 SJWS
Participants

1. Planning the twelve months period

Project phase 1 – review

- CAM NC project plan published and consulted

Project phase 2 – outlook

- Finalisation of project plan
- 2nd stakeholder meeting on the 9th of March 2011
- Preparation and publication of “launch documentation”
 - Key concepts for Stakeholder Joint Working Session” (SJWS)

Project phase 3 – outlook

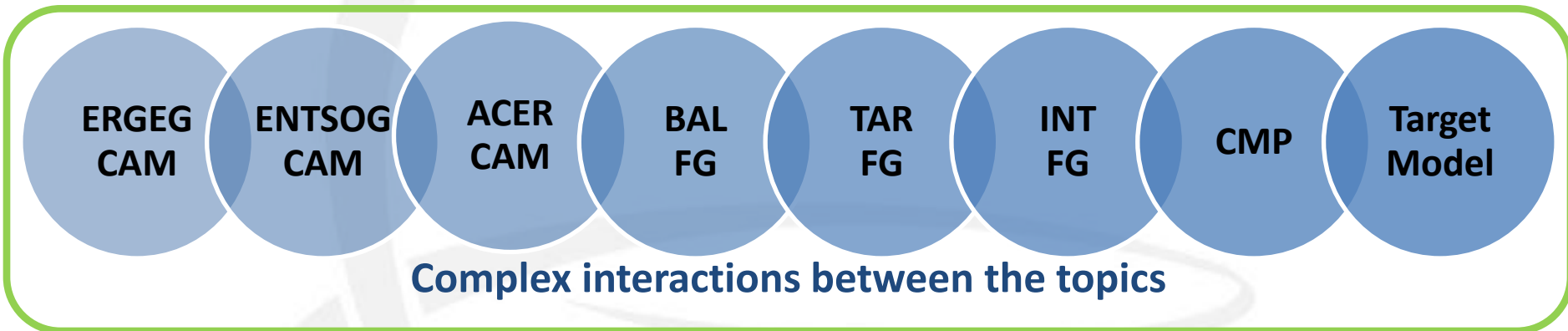
- Interactive network code development – SJWS
- Drafting of the network code until June 2011

| | Green (Controlled) | Yellow (Caution) | Red (Critical) |
|-----------------------|-----------------------|---------------------|-------------------|
| Schedule ¹ | X | | |
| Content | X | | |

1. Planning the twelve months period

Handling of parallel streams

- Outcome of other developments (e.g. ACER CAM FG) crucial



- Early understanding of amendments essential
- Close working relationship between ACER, Commission, users and ENTSOG crucial
- Any change will require revision of planning/content

2. Approach for the code development

Interactions with stakeholders

- Code development characterised by continuous stakeholder involvement
- Various bilateral meetings with organisations and stakeholders held
 - Requests always welcome
 - Identification and discussion of (early) views crucial
- Network code development consultations

| # | Period | Topic |
|---|--|---------------------------------------|
| 1 | 9 th – 23 rd February 2011 | Draft Project Plan + User involvement |
| 2 | 22 nd June – 3 rd August 2011 | Draft CAM network code |
| 3 | 21 st Dec 2011 – 4 th Jan 2012 | Network code support |



2. Approach for the code development

Interactions with stakeholders

- Scheduled meetings until release of draft network code

| # | Date | Meeting |
|---|-------------------------------|-------------------------------------|
| 1 | 9 th February 2011 | Kick-off meeting |
| 2 | 9 th March 2011 | 2 nd stakeholder meeting |
| 3 | 6 th April 2011 | SJWS 1 |
| 4 | 21 st April 2011 | SJWS 2 |
| 5 | 4 th May 2011 | SJWS 3 |
| 6 | 19 th May 2011 | SJWS 4 |
| 7 | 21 st June 2011 | Draft network code presentation |
| 8 | 12 th October 2011 | Consultation feedback session |
| 9 | 27 th January 2012 | Final code presentation |

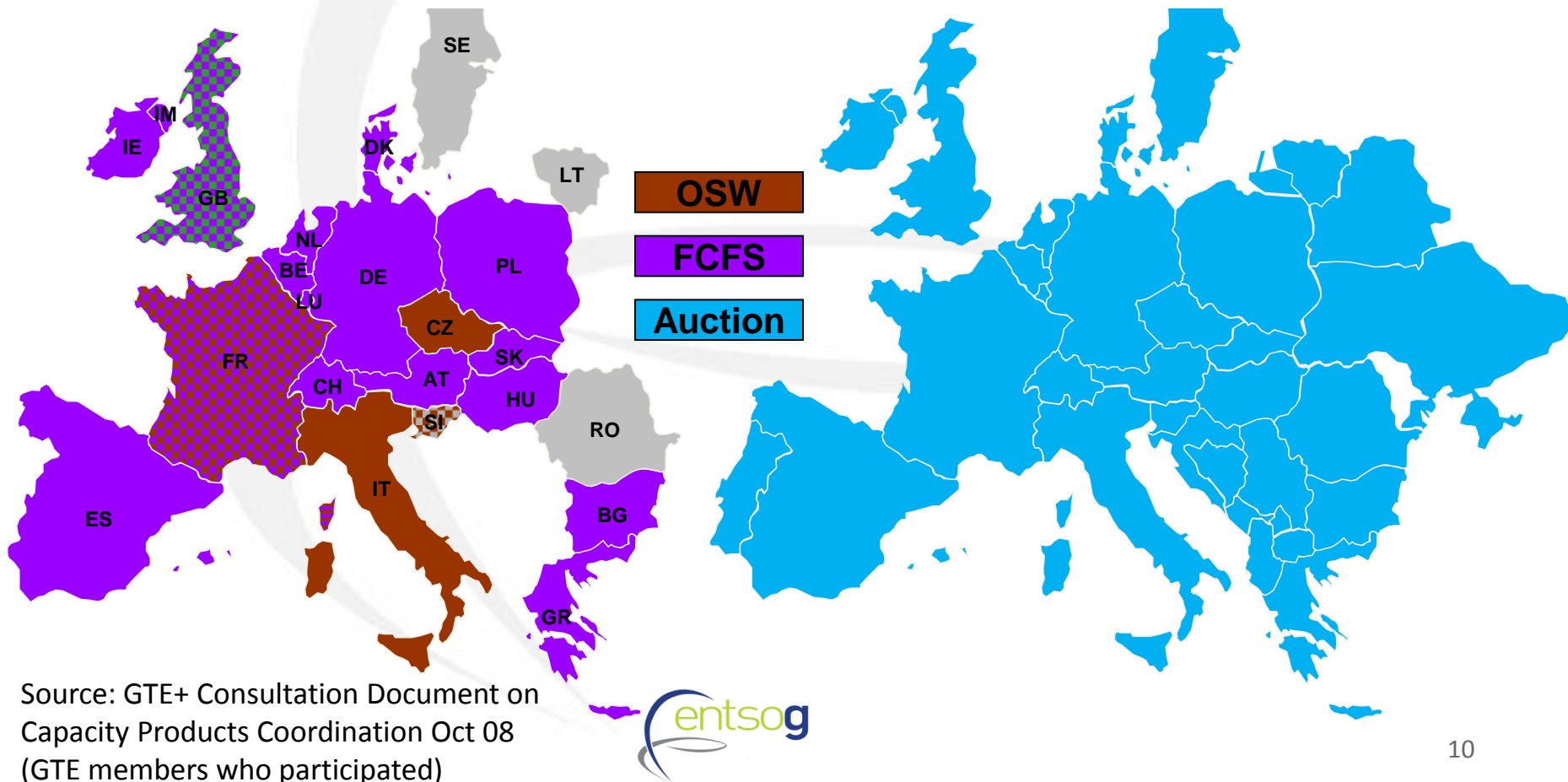


3. Key network code concepts

Auction design – ENTSOG objective and challenge

Past

Future



Source: GTE+ Consultation Document on Capacity Products Coordination Oct 08 (GTE members who participated)

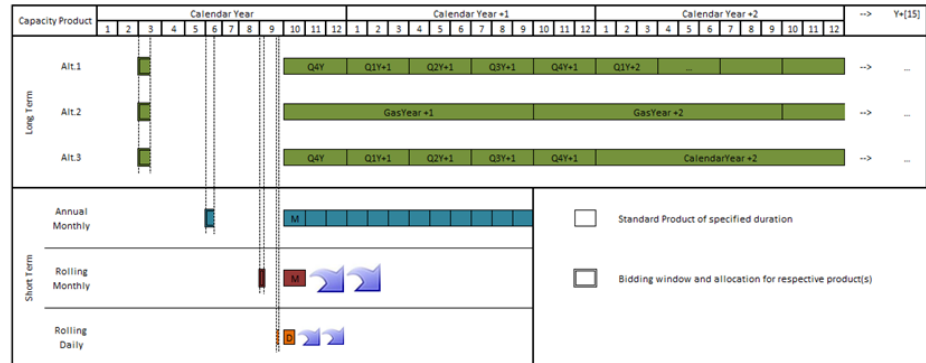


3. Key network code concepts

Work towards harmonised auctions

- Concept for auction design developed
- Work-in-progress already presented during 2nd NC stakeholder meeting on the 9th of March 2011
- Positive feedback
- Details under development
- Design for debate during SJWS

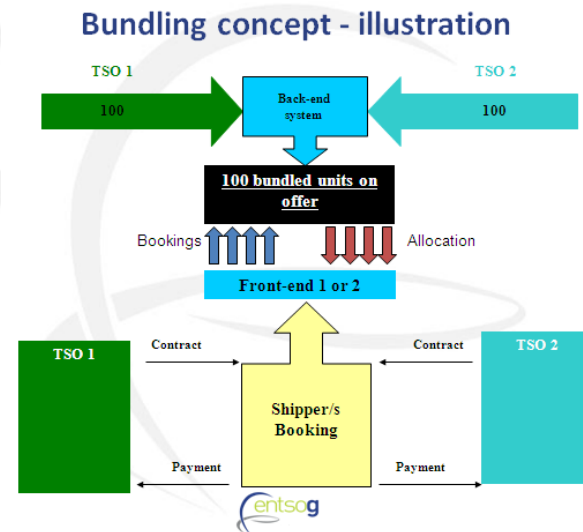
Auction Calendar



3. Key network code concepts

Role of bundled services

- ERGEG framework guideline requires bundled capacity
- ENTSOG is working on a model for existing available capacity
- Features
 - Single booking interface
 - Only trading at the hubs
 - One flow nomination
- Requires large interaction between TSOs on
 - Data exchange
 - IT development
 - Capacity coordination
 - Operations



3. Key network code concepts

Interruptible services and procedures

- CAM framework guideline

Interruptible capacities services shall be “aligned” and interruption procedures shall be harmonised

- Interruptible service coordinated between adjacent TSOs
- Interruptible capacity can be allocated via a separate auction
 - Could be held after firm capacity has been allocated
 - If offered, such auctions should be conducted according to the same design principles as firm capacity
- Interruption lead times and procedures standardised
 - Options developed for consultation

3. Key network code concepts

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

4. 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
- > Concepts discussed with market during SJWSs
- > Implementation is the key (economical viability and timelines)

- All parties must be fully engaged in the processes
- Communication fully supported by the ENTSOG website

Thank You for Your Attention

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