ENTSOE 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. Project Plan
2. Launch Documentation
3. SJWS Material
4. Draft Network Code
5. Network 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

<table>
<thead>
<tr>
<th>Participant</th>
<th>Name</th>
<th>Company</th>
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<tbody>
<tr>
<td>1</td>
<td>Friedrich von Burchard</td>
<td>E.ON Ruhrgas</td>
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<tr>
<td>2</td>
<td>Claude Mangin</td>
<td>GDF SUEZ</td>
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<td>3</td>
<td>Alex Barnes</td>
<td>Gazprom Marketing and Trading</td>
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<td>4</td>
<td>Helen Stack</td>
<td>Centrica</td>
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<td>5</td>
<td>Steinar Solheim</td>
<td>Yara / IFIEC</td>
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<td>6</td>
<td>A.J. Algra</td>
<td>Gasterra</td>
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<td>7</td>
<td>Francesca Zanella</td>
<td>Eni S.p.A</td>
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<td>8</td>
<td>Andrew Pearce</td>
<td>BP</td>
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<td>9</td>
<td>Mark Dalton</td>
<td>BG group</td>
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<td>10</td>
<td>Dirk-Christof Stüdemann</td>
<td>EnBW</td>
</tr>
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<td>11</td>
<td>Bernardo RANGONI, Guiseppe Lorubio</td>
<td>Eurelectric</td>
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<td>12</td>
<td>Margot Loudon</td>
<td>Eurogas</td>
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<tr>
<td>13</td>
<td>Martina Beitke</td>
<td>CEFIC</td>
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<td>14</td>
<td>Lieven Stalmans</td>
<td>Borealis</td>
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<tr>
<td>15</td>
<td>Christian Thole, Carmen Gimeno</td>
<td>Geode</td>
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<tr>
<td>16</td>
<td>Gunnar Steck</td>
<td>E.ON Energy Trading</td>
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<tr>
<td>17</td>
<td>Christiane Sykes</td>
<td>Statoil</td>
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<tr>
<td>18</td>
<td>Manuel Coxe</td>
<td>EuroPEX</td>
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### 5 Prime Movers

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<tr>
<th>Participant</th>
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<tbody>
<tr>
<td>1</td>
<td>Ralf Presse</td>
<td>RWE S&amp;T</td>
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<td>2</td>
<td>Mathieu Lanéelle</td>
<td>Total</td>
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<tr>
<td>3</td>
<td>Peter J. Zehetner</td>
<td>Tauerngasleitung</td>
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<tr>
<td>4</td>
<td>Valentin Höhn</td>
<td>VIK / IFIEC</td>
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<tr>
<td>5</td>
<td>Steinar Solheim</td>
<td>Yara / IFIEC</td>
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### 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
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

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<tr>
<th>#</th>
<th>Period</th>
<th>Topic</th>
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<tr>
<td>1</td>
<td>9&lt;sup&gt;th&lt;/sup&gt; – 23&lt;sup&gt;rd&lt;/sup&gt; February 2011</td>
<td>Draft Project Plan + User involvement</td>
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<tr>
<td>2</td>
<td>22&lt;sup&gt;nd&lt;/sup&gt; June – 3&lt;sup&gt;rd&lt;/sup&gt; August 2011</td>
<td>Draft CAM network code</td>
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<tr>
<td>3</td>
<td>21&lt;sup&gt;st&lt;/sup&gt; Dec 2011 – 4&lt;sup&gt;th&lt;/sup&gt; Jan 2012</td>
<td>Network code support</td>
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2. Approach for the code development

Interactions with stakeholders

- Scheduled meetings until release of draft network code

<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Meeting</th>
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<tbody>
<tr>
<td>1</td>
<td>9th February 2011</td>
<td>Kick-off meeting</td>
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<td>2</td>
<td>9th March 2011</td>
<td>2nd stakeholder meeting</td>
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<td>3</td>
<td>6th April 2011</td>
<td>SJWS 1</td>
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<td>4</td>
<td>21st April 2011</td>
<td>SJWS 2</td>
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<td>5</td>
<td>4th May 2011</td>
<td>SJWS 3</td>
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<td>6</td>
<td>19th May 2011</td>
<td>SJWS 4</td>
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<td>7</td>
<td>21st June 2011</td>
<td>Draft network code presentation</td>
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<td>8</td>
<td>12th October 2011</td>
<td>Consultation feedback session</td>
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<td>9</td>
<td>27th January 2012</td>
<td>Final code presentation</td>
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3. Key network code concepts

Auction design – ENTSOG objective and challenge

Past

Future

Source: GTE+ Consultation Document on Capacity Products Coordination Oct 08 (GET members who participated)
3. Key network code concepts

Work towards harmonised auctions

- Concept for auction design developed
- Work-in-progress already presented during 2\textsuperscript{nd} NC stakeholder meeting on the 9\textsuperscript{th} of March 2011
- Positive feedback
- Details under development
- Design for debate during SJWS
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
  o Long-term commitments to fairly apportion costs and risks
  o Rules to provide business opportunities for suppliers, wholesale, traders, importers, etc.
• Arrangements must allow TSOs to generate their revenues
• Should be understood that associated costs are acknowledged
  o Human resources and related expenses
  o 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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