

Response Sheet for Stakeholder Engagement Document: Potential Modifications to the CAM NC Following Receipt of ACER Opinion

Please complete the fields below and send via email using the subject title, “Response to the CAM NC stakeholder engagement document” to info@entsog.eu by 10 August 2012.¹

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¹ If you would like any part of your response to be treated as confidential, **please mark these sections clearly and explain why it is not possible for the information to be made public**. Notwithstanding any confidentiality undertaking upon request, ENTSOG indicates that this cannot prevent ENTSOG from disclosing all or part of the response that would be requested by a competent authority or judicial body.

How would you describe your organisation?

<input checked="" type="checkbox"/>	Association (please specify type)
<input type="checkbox"/>	End user
<input type="checkbox"/>	Network user
<input type="checkbox"/>	Trader
<input type="checkbox"/>	Other (please specify)

In the questions below, ENTSOG would be grateful if respondents could clearly indicate their view and provide a brief justification.

Question 1

A number of changes to the CAM NC submitted to ACER in March 2012 are proposed in sections C.1 – C.11 above. Please indicate whether you support these changes. If you do not support some changes, please indicate which changes you do not support, and why.

Eurogas supports the following changes to the Code proposed by ENTSOG.

- **C.1 Definitions**
- **C.2 (1) Application of the Network Code to new technical capacity for standard capacity.**
- **For comments on capacity breakdown see below.**
- **C.4 TSO co-operation.**
- **C.8 Interruptible capacity, with regard to the provision that subject to NRA approval two TSOs can shorten the default lead time. See below, however, for our position on the default lead time.**
- **C.9 Tariffs – ok but this will leave some uncertainties until the Code on Harmonized Tariff Structures is adopted. Eurogas was able to accept ENTSOG’s earlier Code proposal on an interim basis. Eurogas supports the non cross-subsidy principle.**
- **C.10 Incentive regimes.**

With regard to C.2 (2) Eurogas recalls its opposition to mandatory bundled products to the exclusion of other capacity products, and also the Sunset Clause. Eurogas, however, supports the change to the Code proposed by ENTSOG, if bundling for existing capacity is introduced.

Although respondents are only asked to indicate support or not for the changes and ENTSOG is not seeking views on the rejected points, Eurogas nevertheless wishes to comment on other points.

C.2 Application of the Network Code to new technical capacity, Capacity Breakdown. Eurogas endorses ENTSOG’s reluctance to change the Code on this point. In any case, discussions are taking place on new/incremental capacity, and it is advisable to wait for the outcome of these, keeping the approach under review for now.

C.3 With regard to ENTSOG’s proposal on standard contracts, Eurogas supports the view that it is not necessary to change the Code, but more information should be provided to ACER on this point.

C.5 With regard to Capacity Breakdown, Eurogas recalls its support for the proposed Network Code, which it considered to be in line with the FG and its inputs to the consultation. In the view of Eurogas, the market will show the way on the capacity breakdown point. More and more market participants will be interested in buying shorter term capacity, and in practice much more than 10% will be available. Therefore on balance we do not see any need at this stage to change the Code. The situation should be monitored.

C.6 With regard to the Sale of Unbundled Capacity, Eurogas has reservations about ENTSOG’s proposed changes although its approach is preferred over the ACER proposed rolling monthly auction approach. In the first place, the Code should require TSOs to take measures to equalize technical capacities at both sides of an IP, for instance by changing the delivery pressure. But at some IPs, even after such measures, a significant amount of capacity may be mismatch capacity, and the product described will not offer the solution needed. Thorough impact assessments are needed before a solution can be proposed. Eurogas recalls moreover its opposition to mandatory bundled products and the sunset clause.

C.7 Eurogas prefers the current proposed wording. In the event of problems among parties on the Sunset Clause, the NRA should assume the proposed responsibility.

C.11 Eurogas is somewhat surprised at ENTSOG’s recommendation. Although the right to an exemption may not be for inclusion in the Code, the provision that adjacent TSOs apply harmonized allocation systems at each interconnection point, if there is an exemption, is important. Therefore Eurogas could support the inclusion of the wording of Framework Guideline 3.1.6 with this requirement reinforced.

Question 2

Do you support the proposed changes to the day ahead auction timing set out in section D.1? If not, why not?

Yes these windows should in principle be sufficient, although some concern has been voiced about implied costs.

Question 3

Do you support the proposed changes to the within-day auction timing set out in section D.2? If not, why not?

In particular, do you believe that a 30 minute bidding window and 60 minute nomination window are sufficient for a within-day process?

Yes these windows should in principle be sufficient, although some concern has been voiced about implied costs.

Question 4

Do you support the proposed changes to the drafting on default interruption lead times set out in section D.3? If not, why not?

Eurogas understands the reasons for the proposed changes in the default interruption lead times. Shippers are nonetheless concerned that they will have an unbalanced position during one or two hours, because delay in being able to renominate on another point means that interrupted flows can not be compensated for. These imbalances should not be subject to penalties, e.g. in systems with WDOs. The proposed rules should be in line with the Balancing Code.

Question 5

Do you support the proposed changes to article 4.1(2) of the CAM NC, in relation to competing capacities? If not, why not?

Eurogas agrees that competing capacities could be an issue where such interdependencies exist, but before Eurogas can give a definite answer, it would welcome more information on how ENTSG plans to solve the problem.

Users should be informed in advance that there is competing capacity on offer and the demand at each price step should be published. If competing auctions are instigated, clear allocation rules need to be developed and approved by the TSOs.