Congestion Management procedures implementation: update on progress

EU Stakeholders Group
18 September 2013
Background

- Ongoing discussions at national and European levels between the TSOs and the NRAs, including via the Gas Regional Initiatives in order to ensure consistent implementation of the CMPs at IPs.

- Work of ACER on CMP implementation
  - Survey developed by ACER with ENTSOG in February-March 2013 and presented at the April Madrid Forum → Identification of main implementation issues.
  - 2nd Implementation survey in July-August 2013
ACER Issues paper 1/2

• **Aim**
  - Identification of areas requiring harmonized/coordinated decision at a cross-border level for an efficient implementation of the CMP guidelines ➔ avoiding diverging interpretations at national levels
  - Interpretation of the CMP provisions in combination with the CAM network code.

• **Main statements for coordinated implementation at IPs**
  - Efforts from the TSOs to coordinate and offer the capacity made available by the CMPs as bundled products where possible.
ACER Issues paper 2/2

• Oversubscription and Buy-back
  • TSOs cooperate on the determination of the level of technical capacity at the IP.
  • The aggregated offer of technical and OS capacity should aim for consistency on an IP.
  • Agreement on the design of the BB procedure between the adjacent TSOs.
  • BB should be market based → founded on the willingness of the shipper to sell its capacity back to the TSO.

• Capacity surrender
  • Agreement between the TSOs on the timing and measures allowing the shipper to get its non-reallocated capacity back.
  • Priority rule for reallocation (time stamp vs prorata).

• LT UIOLI
  • Need to agree between adjacent TSOs/NRAs on withdrawal of bundled products.
Implementation survey
July-August 2013

• Aim:
  • Monitoring progress of implementation
  • Ensuring that respective measures are implemented in a consistent manner across IPs as well as in a wider EU context (CMP Issues paper)

• Survey shared with ENTSOG

• Responses received from 19 countries.

• Survey conducted ahead of implementation deadline ➔ Results shown today do not necessarily represent final implementation.
Implementation survey
Main results

• Implementation work is ongoing in all EU countries.

• In most cases, general implementation of the surrender and long-term UIOLI.

• Oversubscription & buyback (OS & BB) : will probably be applied in FR, BE, UK, SI, IE, CZ, ES, IT, NIR, HU, GR, NL.

• Firm day-ahead UIOLI in AT, DE, PL → OS & BB will not be applied pursuant to 2.2.3 (6).
Implementation survey
Main results

• Main elements of OS&BB Systems
  • Most TSOs start as a first step with overselling day-ahead and/or within products
  • In some countries, overselling on monthly and longer term products as of 1st of October.

• Mitigation of high buy-back costs either by
  • Cap on buy-back price
  • Less additional capacity offered

• Additional capacity is considered as the same capacity product as firm technical capacity in most countries.

• Cross-border discussions ongoing for the implementation of convergent mechanisms.
Implementation survey
Main results

• **Surrender of capacity**
  - Surrender paid with network charges in most cases *(no additional fee).*
  - Most countries use FCFS (time stamp) as a *reallocation rule of the surrendered product.* Only a few propose pro-rata.
  - Ongoing work at IP level to agree on the measures allowing the shipper to get back its non-reallocated capacity.

• **LT UIOLI**
  - Decision on whether *conditions for withdrawal* are met either by NRA or TSO.
Conclusion

• Need to have a common agreement on several areas for applying CMPs on bundled products ➔ work developed in the issues paper.

• Interaction between CAM and CMP requirements
  • Need to take into account the interim period between the CMP implementation deadline (1st October 2013) and the application of CAM (as of 1st Nov. 2015).
  • Experience with CMP mechanisms to be assessed in parallel to NC CAM early implementation ➔ Amendments to national CMP implementation may be necessary.
  • Cross-border coordination will continue ➔ in order to implement convergent mechanisms for bundled products
Next steps

- ACER to prepare monitoring of congestions at IPs according to 2.2.1.3 of the CMP Regulation.

- General ACER implementation monitoring (after implementation deadline).

- Further work on the issues paper.