

## Summary of positions on the CAM NC

This paper identifies areas of the proposed Commission Regulation establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems (CAM NC), issued on 21 November 2012, that the members of European Network of Transmission System Operators for Gas (ENTSOG) consider should be amended. For each issue, ENTSOG provides a brief explanation of the policy change it seeks, and proposes amendments to the network code to achieve this effect.

Without prejudice to these policy positions, ENTSOG is happy to provide drafting expertise in relation to any areas not covered in this paper in which Member States feel that changes are necessary. ENTSOG's key aim is to ensure that the NC remains internally consistent and capable of being implemented; it notes therefore that any change needs to be examined very carefully for potential unforeseen consequences.

### Article 2 Scope

#### Geographical scope of the CAM NC

ENTSOG believes that the reference to the CAM NC potentially being applied at entry and exit points with third countries should be deleted. The EU legislation does not create rules for non EU members. Any competent authority from a non EU country may agree to apply at border points any rules of the third package including provisions of a network code. Under Regulation 715/2009, network codes shall be developed for cross border issues within the Community, and European internal market integration.

#### Article 2 – paragraph 1

##### *Text proposed by Commission*

1. This Regulation shall apply to interconnection points. ***It may also apply to entry points from and exit points to third countries, subject to the decision of the relevant national regulatory authority.*** This Regulation shall not apply to the capacity allocation with regard to exit points to end consumers and distribution networks, entry points from 'liquefied natural gas' (LNG) terminals and production facilities, and entry-exit points to or from storage facilities.

##### *Amendment*

1. This Regulation shall apply to interconnection points. ~~***It may also apply to entry points from and exit points to third countries, subject to the decision of the relevant national regulatory authority.***~~ It shall not apply to the capacity allocation with regard to exit points to end consumers and distribution networks, entry points from 'liquefied natural gas' (LNG) terminals and production facilities, and entry-exit points to or from storage facilities.

### Inappropriateness of quota for new technical capacity

ENTSOG strongly believes that minimum EU-wide quotas are not appropriate either for existing or for new capacity, for the following reasons:

- Under some regimes, demand for short and medium term capacity is low. In these circumstances, quotas will simply lead to unsold capacity. The costs of this will generally be borne by domestic customers;
- Quotas create artificial scarcity and drive up prices by preventing users from buying the capacity they want on longer durations, even if capacity is available;
- Quotas distort the process for creating new capacity. Under any market-based system for assessing investment needs, quotas will force TSOs to 'gold plate' their investments by building more capacity than users demand. This creates the risk of stranded assets and further costs to be picked up by captive customers.
- Mandatory quotas, particularly for new capacity, will severely damage investment. Investors will not be prepared to finance 'gold plated' projects for which there is no or limited evidence that demand will exist.
- There is already significant upward pressure on the size of networks, particularly from security of supply obligations. Quotas exacerbate this effect and further damage investor confidence. An inefficient asset is always a liability to the TSO as there is no guarantee that regulatory and political approval for cost recovery will be forthcoming over the next 40-50 years.

ENTSOG seeks the amendment of the relevant paragraphs accordingly (see Article 8 below for proposals in relation to quotas for existing capacity).

#### **Article 2 – paragraph 3**

##### *Text proposed by Commission*

**Articles 8 (1) to (5)**, Articles 11 to 18, 19 (2) and 21 to 27 shall not apply to new technical capacity allocated by means of open allocation procedures for new technical capacity, such as open season procedures, apart from capacity which remains unsold after it has been initially offered by means of such procedures.

##### *Amendment*

**Article 8**, Articles 11 to 18, 19 (2) and 21 to 27 shall not apply to new technical capacity allocated by means of open allocation procedures for new technical capacity, such as open season procedures, apart from capacity which remains unsold after it has been initially offered by means of such procedures.

### Implicit auction

The proposed definition for 'implicit auction' [see below], which has been taken from the electricity domain, is not appropriate. The application of implicit allocation methods has not

occurred in the gas domain to date. Implicit allocation processes may take a wide range of forms and it would be inappropriate to limit future discussions on this issue by specifying criteria in the CAM NC.

#### Article 2 – paragraph 4

*Text proposed by Commission*

Where **implicit auctions** are applied Articles 8 to 27 shall not apply

*Amendment*

Where **implicit allocation methods, including auctions**, are ~~applied used~~, Articles 8 to 27 shall not apply.

#### Article 3 Definitions

##### Implicit auctions

See explanation above for amendment of implicit auction text.

#### Article 3 – paragraph 9

*Text proposed by Commission*

**'implicit auction'** means an allocation method where **by means of an auction** both transmission capacity and a corresponding quantity of gas are allocated at the same time

*Amendment*

**'implicit allocation'** means an allocation method where ~~by means of an auction~~ both transmission capacity and a corresponding quantity of gas are allocated at the same time.

##### Registered network users

ENTSOG proposes to reintroduce a definition for 'registered network user' to avoid any confusion with the definition of the Regulation which encompasses customers and potential customers as network users. It is relevant to clarify that in order to participate in the capacity allocation mechanisms set out in the CAM NC, network users must be actual customers holding a valid contract with the transmission system operator concerned.

This clarification is of relevance for the whole network code and not only for the use of an eventual booking platform as implied in the proposed Article 27 in which ENTSOG also seeks amendment [see below]. In addition the reference in Article 27 could also incur another confusion with the contractual arrangement(s) to be in place for the use the platform.

### Article 3 – new paragraph

*Text proposed by Commission*

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*Amendment<sup>1</sup>*

***‘registered network user’ means a network user that shall accede to and be compliant with all applicable legal and contractual requirements that enable him/her to book and use capacity on the relevant transmission system operators’ network.***

In case this definition is not acceptable, ENTSOG considers that the reference in article 27 (4) should instead be included in the scope of the network code, within article 2.

*Text proposed by Commission*

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*Amendment*

***Under this Regulation, in order to participate in capacity allocation mechanisms, a network users shall have acceded to and be compliant with all applicable legal and contractual requirements that enable him to book and use capacity on the relevant transmission system operators’ network.***

### Article 6 Capacity calculation and maximisation

When drafting the CAM NC, ENTSOG was careful to align the document as closely as possible with the relevant framework guideline, while respecting developing guidance from ACER and the EC in certain respects. Therefore, substantial text on capacity calculation was not included, as ENTSOG understood at the time that the Commission’s preference was to cover this within a future network code on interoperability.

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<sup>1</sup> Not all instances of “network user” should be replaced, but only those where it is essential that the user must be registered. ENTSOG has developed a list of these instances, which is available on request.

Since the delivery of the revised CAM NC to ACER on September 17<sup>th</sup> 2012, ENTSOG has worked with the EC to discuss its proposals for some expanded text on capacity calculation, following the EC's decision that this should be included in the earlier CAM NC rather than the later code on interoperability.

It is crucial that any text on capacity calculation in the CAM NC is fully in line with other legislation, notably requirements in the Gas Regulation regarding the offer of capacity and congestion management procedures. ENTSOG considers that amendments to Article 6 are necessary to ensure that TSOs and network users are not faced with conflicting obligations. Amendments also can improve both consistency with other legislation and internal consistency within this article.

This provision should not require that incremental capacity be created. The insertion below makes this clear.

#### Article 6 – paragraph 2

##### *Text proposed by Commission*

2. In order to maximize the offer of bundled capacity through the optimization of the technical capacity transmission system operators shall take the following measures at interconnection points where there is contractual congestion pursuant to point 2.2.3 (1) of Annex I to Regulation (EC) No 715/2009.

##### *Amendment*

2. In order to maximize the offer of bundled capacity through the optimization of the technical capacity **utilizing the existing infrastructure**, transmission system operators shall take the following measures at interconnection points where there is contractual congestion pursuant to point 2.2.3 (1) of Annex I to Regulation (EC) No 715/2009.

Annex 1 to the Regulation (i.e., the Congestion Management Procedures (CMP) Guidelines) does not provide any detail on this dynamic approach but only links it to oversubscription and buyback mechanisms. To avoid linking this paragraph with oversubscription, which is not the intention, this reference should be deleted.

#### Article 6 – paragraph 2 – point a – item 2

##### *Text proposed by Commission*

(2) apply a dynamic approach to re-calculating technical capacity **in line with the provisions of point 2.2.2 of Annex I to Regulation (EC) No 715/2009**, jointly identifying the appropriate frequency for re-calculation per

##### *Amendment*

(2) apply a dynamic approach to re-calculating technical capacity, jointly identifying the appropriate frequency for re-calculation per interconnection point and having regard to the particular specificities thereof;

interconnection point and having regard to the particular specificities thereof;

The below addition improves clarity regarding how the cost recovery will be conducted.

### Article 6 – paragraph 3

*Text proposed by Commission*

3. Where the optimisation of technical capacity incurs costs, particularly costs that unevenly impact TSOs on either side of an interconnection point, TSOs shall be allowed to recover such efficiently incurred costs.

*Amendment*

3. Where the optimisation of technical capacity incurs costs, particularly costs that unevenly impact TSOs on either side of an interconnection point, TSOs shall be allowed to recover such efficiently incurred costs ***via the regulatory framework established by the relevant regulatory authorities in accordance with Article 13 of Regulation (EC) No 715/2009 or Article 42 of Directive 2009/73/EC in respect of cross-border issues.***

### Article 7 Exchange of information between adjacent transmission system operators

Article 7 repeats provisions already set out in Regulation No. 715/2009 (the “Gas Regulation”) or in other areas of the CAM NC. In this context, ENTSOG believes that Article 7 on the exchange of information could be removed.

### Article 7

*Text proposed by Commission*

***1. Adjacent transmission system operators shall exchange (re)nomination, matching and confirmation information at relevant interconnection points on a regular basis.***

***2. Adjacent transmission system operators shall exchange information about the maintenance of their individual transmission network in order to contribute to the decision making process with regard to the technical use of interconnection points.***

***3. Adjacent transmission system operators shall***

*Amendment*

***deleted***

***make available the clearing price and aggregated quantity allocated in each auction, in order to facilitate the identification of potential congestions on their transmission networks.***

***4. Adjacent transmission system operators shall share congestion management procedure information via the platform referred to in point 3.1.1(1) of Annex I of Regulation (EC) No 715/2009.***

#### **Article 8 Allocation methodology: capacity set aside**

##### Inappropriateness of quota, or set aside, for existing capacity

See argumentation above in section on quotas for new technical capacity. ENTSOG does not believe that minimum EU-wide quotas are appropriate.

If quotas for existing capacity are supported by network users and national regulatory authorities (NRAs) at a particular IP due to the characteristics of the market, they could be introduced on a case by case basis. This should follow a market consultation and agreement between NRAs and TSOs on the two sides of the IP.

#### **Article 8 – paragraphs 6-8**

##### *Text proposed by Commission*

***6. An amount at least equal to 20% of the technical capacity at each interconnection point shall be set aside and offered in accordance with paragraph 8, provided that the available capacity, at the time this Regulation enters into force, is equal to or greater than the proportion of technical capacity to be set aside. If the available capacity, at the time this Regulation enters into force, is less than the proportion of technical capacity to be set aside, the whole of any available capacity shall be set aside. This capacity shall be offered in accordance with paragraph 8 (b), while any remaining capacity set aside shall be offered in accordance with paragraph 8 (a).***

##### *Amendment*

***6. ~~An amount at least equal to 20% of the technical capacity at each interconnection point shall be set aside and offered in accordance with paragraph 8,~~ A proportion of the technical capacity at each interconnection point may be set aside in accordance with the process set out in paragraph 7 of article 8. Where set aside it shall be specified in which auction such capacity shall first be released. Notwithstanding the above, the available capacity, at the time this Regulation enters into force, shall be equal to or greater than the proportion of technical capacity to be set aside. If the available capacity, at the time this Regulation enters into force, is less than the***

**7. Any capacity set aside pursuant to paragraph 7 shall first be offered, subject to the following provisions:**

- (a) an amount at least equal to 10% of the technical capacity at each interconnection point shall be offered no earlier than the annual yearly capacity auction as provided for in Article 11 held in accordance with the auction calendar during the fifth gas year preceding the start of the relevant gas year; and**
- (b) a further amount at least equal to 10% of the technical capacity at each interconnection point shall first be offered no earlier than the annual quarterly capacity auction as provided for in Article 12, held in accordance with the auction calendar during the gas year preceding the start of the relevant gas year.**

8. The exact proportion of capacity to be set aside in relation to paragraph 7 shall be subject to a stakeholder consultation, alignment between transmission system operators and approval by national regulatory authorities at each interconnection point. **National regulatory authorities shall in particular consider setting aside higher shares of capacity for shorter duration to avoid foreclosure of downstream supply markets.**

proportion of technical capacity to be set aside, the whole of any available capacity shall be set aside.

~~This capacity shall be offered in accordance with paragraph 8 (b), while any remaining capacity set aside shall be offered in accordance with paragraph 8 (a).~~

~~7. Any capacity set aside pursuant to paragraph 7 shall first be offered, subject to the following provisions:~~

- ~~(a) an amount at least equal to 10% of the technical capacity at each interconnection point shall be offered no earlier than the annual yearly capacity auction as provided for in Article 11 held in accordance with the auction calendar during the fifth gas year preceding the start of the relevant gas year; and~~
- ~~(b) a further amount at least equal to 10% of the technical capacity at each interconnection point shall first be offered no earlier than the annual quarterly capacity auction as provided for in Article 12, held in accordance with the auction calendar during the gas year preceding the start of the relevant gas year.~~

7. The exact proportion of capacity to be set aside in relation to paragraph 6 shall be subject to a stakeholder consultation, alignment between transmission system operators and approval by **the competent** national regulatory authorities at each interconnection point, **and give due consideration to the results of previous allocation processes for capacity of the relevant durations.**

~~National regulatory authorities shall in particular consider setting aside higher shares of capacity for shorter duration to avoid foreclosure of downstream supply markets.~~



## Article 11

The below amendment is necessary following the above amendment of Articles 8 (6)-(8). Additionally, a reference to the 'proportion' of capacity set aside is replaced by a reference to the 'amount' for greater clarity.

### Article 11 – paragraph 6

<i>Text proposed by Commission</i>	<i>Amendment</i>
<p>The capacity to be offered during the annual yearly capacity auction shall be equal to:  <math>A - B - C + D</math> Where:            A is the transmission system operator's technical capacity for each of the standard capacity products;            B for annual yearly auctions offering capacity for the next five years, is the <b>proportion</b> of technical capacity (A) set aside in accordance with <b>Article 8 (8) (b); for annual yearly auctions for capacity beyond the first five years, is the proportion of technical capacity (A) set aside in accordance with Article 8 (8);</b>            C is the previously sold technical capacity, adjusted by the capacity which is re-offered in accordance with applicable congestion management procedures;            D is additional capacity, for such year, if any.</p>	<p>The capacity to be offered during the annual yearly capacity auction shall be equal to:  <math>A - B - C + D</math> Where:            A is the transmission system operator's technical capacity for each of the standard capacity products;            B <del>for annual yearly auctions offering capacity for the next five years,</del> is the <b>proportion-amount</b> of technical capacity (A) set aside in accordance with <b>Article 8 (6);</b>            C is the previously sold technical capacity, adjusted by the capacity which is re-offered in accordance with applicable congestion management procedures;            D is additional capacity, for such year, if any.</p>

## Article 19 Bundled capacity services

### Offer of unbundled capacity: technical mismatches

CAM NC should be amended to allow the sale of unbundled capacity resulting from a 'technical mismatch' to a maximum of five years before gas flow, on a rolling basis. The five-year period will provide an opportunity for any technical mismatch to be corrected through investment on the side of the interconnection point with lower technical capacity, before the unbundled capacity is offered to the market. The five-year period represents a typical lead time for investment in new physical infrastructure. Actual lead times may vary between three and eight

years. Since the value of bundled capacity is likely to exceed the value of unbundled capacity following implementation of the CAM NC, a TSO may choose to delay the offer of unbundled capacity, if there is a realistic possibility of investment on the other side of the IP on a timescale shorter than five years before gas flow.

The proposed one-year period conflicts with TSOs' obligation to maximise capacity offer. The possibility to offer unbundled products at least in the medium term is necessary to comply with the obligation on TSOs to maximise their firm capacity offer and also to limit the risk of revenue shortfalls which must be made up by those purchasing bundled capacity.

#### Article 19 – paragraph 5

##### *Text proposed by Commission*

where there is more available firm capacity on one side of an interconnection point than on the other side for any period considered, the transmission system operator with the most available firm capacity may offer such extra capacity to the network users as an unbundled firm product in accordance with the auction calendar and the following rules:

- (a) where there is an existing unbundled capacity contract at the other side of the interconnection point, capacity may be offered on an unbundled basis not exceeding the amount and duration of the existing capacity contract at the other side;
- (b) where such extra capacity would not fall under paragraph 5 (a), it may be offered for a maximum period of **one year** on a rolling basis

##### *Amendment*

where there is more available firm capacity on one side of an interconnection point than on the other side for any period considered, the transmission system operator with the most available firm capacity may offer such extra capacity to the network users as an unbundled firm product in accordance with the auction calendar and the following rules:

- (a) where there is an existing unbundled capacity contract at the other side of the interconnection point, capacity may be offered on an unbundled basis not exceeding the amount and duration of the existing capacity contract at the other side;
- (b) where such extra capacity would not fall under paragraph 5 (a), it may be offered for a maximum period of **five years** on a rolling basis;

#### Bundling of capacity released under CMP Guidelines

Article 19 (8) sets out that any capacity which becomes available via the application of use-it-or-lose-it or surrender provisions of the congestion management procedures can return to the TSO as unbundled capacity but must be re-offered as a bundled product. ENTSOG notes that this would result in capacity freed up by CMPs being treated differently from previously unsold capacity, which seems both complex and unduly discriminatory.

The CMPs provide that specific rules on UIOLI and surrender shall be set out at a national level. Given the complexity of the interactions between CAM and CMP and the high risk that changes

to the CAM NC will lead to unintended negative consequences, ENTSOG believes that it is important to allow these complex issues to be dealt with through the development of national rules. The CAM NC should refer only to those issues that are relevant to CAM. The proposed drafting below therefore clarifies that the prohibition on splitting bundled capacity only applies to secondary markets and does not apply to CMPs which release capacity on to the primary market.

#### Article 19 – paragraph 8

##### *Text proposed by Commission*

the obligations to offer bundled capacity also apply, to the extent that they are relevant, to secondary capacity markets. Capacity originally allocated as bundled capacity can only be resold as bundled capacity. ***In cases of a capacity mismatch on two sides of an interconnection point, capacity freed up as a result of the application of points 2.2.3, 2.2.4 or 2.2.5 of Annex I to Regulation (EC) No 715/2009 may return to the transmission system operator in an unbundled form but shall subsequently be reoffered by the transmission system operator as bundled capacity;***

##### *Amendment*

the obligations to offer bundled capacity also apply, to the extent that they are relevant, to secondary capacity markets. Capacity originally allocated as bundled capacity can only be resold as bundled capacity ***on secondary markets.*** ~~*In cases of a capacity mismatch on two sides of an interconnection point, capacity freed up as a result of the application of points 2.2.3, 2.2.4 or 2.2.5 of Annex I to Regulation (EC) No 715/2009 may return to the transmission system operator in an unbundled form but shall subsequently be reoffered by the transmission system operator as bundled capacity;*~~

#### Article 20 Amendment of existing capacity contracts

When drafting the CAM NC, ENTSOG was careful to align the document as closely as possible with the relevant framework guideline, while respecting developing guidance from ACER and the EC in certain respects. Therefore, a sunset clause was included in the CAM NC despite very strong opposition from the majority of stakeholders.

Since the delivery of the revised CAM NC to ACER on September 17<sup>th</sup> 2012, ENTSOG has continued to work with the EC discuss its proposals for a revised clause in order to address stakeholder and member state concerns about the requirements set forth in the framework guideline regarding contracting capacity . Below, ENTSOG sets out some changes to the new

article proposed by the EC, which are relatively small but in ENTSOG's view important in order to ensure a clear and workable CAM NC.

The title shall be adjusted to reflect the content.

Then according to paragraph 2, capacity holders have a duty to report to the NRAs regarding bundling arrangements. ENTSOG believes therefore that it is more appropriate for NRAs to have this reporting role toward the ACER consistently with paragraph 5.

#### Article 20 – title

*Text proposed by Commission*

*Amendment*

**Article 20**  
**Amendment of existing Capacity Contract**

**Article 20**  
**Bundling of contracted capacity**

#### Article 20 – paragraph 2

*Text proposed by Commission*

*Amendment*

2. To that purpose, the capacity holders who are parties to existing capacity contracts at the time of the entry into force of this Regulation at respective interconnection points, shall aim to reach an agreement on the bundling of the capacity via contractual arrangements ("bundling agreement"). **Transmission system operators** shall report to the Agency **and the relevant national regulatory authorities** on the yearly progress on bundling capacity, including possible reasons **known to the transmission system operator** why a certain bundling agreements have not been reached in that year. The format of that report shall be set by the Agency. The Agency shall, two years from the entry into force of this Regulation, publish a report on the progress made and on the effect of unbundled capacity contracts on trade in

2. To that purpose, the capacity holders who are parties to existing capacity contracts at the time of the entry into force of this Regulation at respective interconnection points, shall aim to reach an agreement on the bundling of the capacity via contractual arrangements ("bundling agreement"). **The relevant national regulatory authorities** shall report to the Agency ~~and the relevant national regulatory authorities~~ on the yearly progress on bundling capacity, including possible reasons ~~known to the transmission system operator~~ why a certain bundling agreements have not been reached in that year. The format of that report shall be set by the Agency. The Agency shall, two years from the entry into force of this Regulation, publish a report on the progress made and on the effect of unbundled capacity contracts on

gas markets.

trade in gas markets.

ENTSOG considers the following insertion to be logical and necessary. The involvement of relevant TSOs in the discussions, where appropriate, can be beneficial for the bundling mechanism in ensuring that the arrangements reached are contractually and technically feasible and therefore possible to be implemented once the agreement is reached.

### Article 20 – paragraph 3

#### *Text proposed by Commission*

3. All relevant information that is necessary to achieve an agreement between the capacity holders involved shall be provided by any such parties to any party concerned on a need to know basis, subject to confidentiality obligations binding the parties, in particular, but not limited to obligations concerning the confidentiality of commercially sensitive information. The transmission system operators who are parties to the existing capacity contracts may participate in the discussions regarding the bundling arrangement at any time, upon invitation of the capacity holders who are parties to the existing capacity contracts.

#### *Amendment*

3. All relevant information that is necessary to achieve an agreement between the capacity holders involved shall be provided by any such parties to any party concerned on a need to know basis, subject to confidentiality obligations binding the parties, in particular, but not limited to obligations concerning the confidentiality of commercially sensitive information. The transmission system operators who are parties to the existing capacity contracts may participate in the discussions regarding the bundling arrangement at any time, **upon their own initiative or** upon invitation of the capacity holders who are parties to the existing capacity contracts.

ENTSOG considers that the first sentence of paragraph 7 is unclear and does not add any meaningful content.

The word ‘renegotiation’ is unclear and not appropriate in this context.

### Article 20 – paragraph 7

#### *Text proposed by Commission*

7. **All capacity shall be bundled at the earliest opportunity.** Existing capacity contracts for unbundled capacity cannot be renewed, prolonged or rolled over after their expiration **or renegotiation** date. Such capacity shall

#### *Amendment*

7. Existing capacity contracts for unbundled capacity cannot be renewed, prolonged or rolled over after their expiration date. Such capacity shall become available capacity as of the expiration date of the capacity contracts.

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**or renegotiation** date of the capacity  
contracts.

## Article 26 Tariffs

The version of the CAM NC developed by ENTSOG introduces a non-arbitrary and reasoned approach to setting the tariffs for different product durations. This “revenue equivalence principle” is based on the following considerations:

- It is incentive neutral as to the time of capacity procurement considering the preferences of the network users to take or avoid risks of unavailability of certain capacity products at the time of the expected transport.
- It avoids cross-subsidies between network users.
- It is a tariff structure that allows for recovery of required capacity revenues *ex ante*, in order not to create a systematic need for corrective mechanisms *ex post*, which would have distortive effects.

The current provision is too vague to provide effective protection to TSOs and network users and thus should be replaced.

### Article 26 – paragraph 3

*Text proposed by Commission*

**3. The appropriate tariff arrangements for the implementation of this Regulation shall be set out on a Union and/or national level in due time. These arrangements shall enable the due implementation of the capacity allocation mechanisms established by this Regulation, without incurring significant detrimental effects on the revenue and cash flow positions of transmission system operators, due to the implementation of this Regulation, in particular the provisions regarding the setting aside of a proportion of capacity, including new capacity, in accordance with Articles 3 (3), 8 (7), and 8 (8) and Article 19 (5) (b).**

*Amendment*

**3. The Reserve Prices for firm Standard Capacity Products shall be set such that, at an Interconnection Point, contracted capacity as a profiled set of products to meet the actual flow requirements throughout the year yields revenues which are, on aggregate, equivalent to the revenues from non-profiled contracted capacity to meet annual peak flow requirements. Revenue equivalence can be achieved by applying multipliers, per Interconnection Point and per direction, to a tariff derived from an annual accounting basis, in order to determine Reserve Prices for products with a duration of less than one year.**

## Article 27 Booking platforms

See above explanation/justification regarding 'registered network user.' ENTSOG considers that the wording in this paragraph would be more appropriately included as a definition.

### Article 27 – paragraph 4

*Text proposed by Commission*

**4. in order to use the services of the booking platforms network users shall accede to and be compliant with all applicable legal and contractual requirements that enable them to book and use capacity on the relevant transmission system operators' network under a capacity contract;**

*Amendment*

**Deleted**

## Article 28 Adaptation of national terms and conditions

ENTSOG considers that the reference to NRAs is confusing where the provision refers to the capacity contract content of the TSOs and would go beyond the NRA's responsibility in that respect.

### Article 28

*Text proposed by Commission*

Transmission system operators **and, where applicable, national regulatory authorities** shall adapt all relevant national terms and conditions to this Regulation within nine months from its entry into force.

*Amendment*

Transmission system operators ~~and, where applicable, national regulatory authorities~~ shall adapt all relevant national terms and conditions to this Regulation within nine months from its entry into force.

## Article 29 Entry into force

The CAM NC is a highly technical piece of legislation which will be complex to implement. In particular, the development of booking platforms and the arrangements for the bundling of capacity at interconnection points are challenging tasks which require substantial discussion between adjacent TSOs, NRAs, IT providers and network users. Such work cannot proceed at full speed until the key contractual provisions underlying the relationship between TSOs and network users have been modified in line with this CAM NC.

In addition ENTSOG believes that the text should be clarified to make clear the applicable implementation period for each article.

A minimum of 27 months is therefore necessary for all of these processes to be completed.

### Article 29

#### *Text proposed by Commission*

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from [18 months after the entry into force of this Regulation- specific date to be inserted by OPOCE]. However, Article 6(2)(a) shall apply from [15 months after the entry into force of this Regulation- specific date to be inserted by OPOCE].

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with Article 30 of Regulation (EC) No 715/2009.

#### *Amendment*

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

***It shall apply from [27 months after the entry into force of this Regulation- specific date to be inserted by OPOCE] unless otherwise specified in the present Article.***

***The provisions of Article 28 shall apply from the entry into force of this Regulation [specific date to be inserted by OPOCE].***

***The provisions of Article 6(2)(a) shall apply from [15 months after the entry into force of this Regulation- specific date to be inserted by OPOCE]***

***The provisions of Article 19 (9) shall apply from [5 years after the entry into force of this Regulation – specific date to be inserted by OPOCE].***



This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with Article 30 of Regulation (EC) No 715/2009.

