

3rd CAM Roadmap Stakeholders Meeting (joint meeting of CAM Coordination Group and EU Stakeholders Group)

Agenda and material

Brussels – 22 September 2014

TOPIC	TIMING
1. Opening and welcome <ul style="list-style-type: none"> 1. Agenda and objective of the meeting 2. 'Tour de table' of attendees 	11:00 – 11:15
2. Update of the projects on early implementation of CAM <ul style="list-style-type: none"> 1. PRISMA: Thomas L'Eglise, Fluxys Belgium 2. GSA: Adam Marzecki, GAZ-SYSTEM 3. Hungary/Romania Regional Booking Platform: Balazs Tartar, FGSZ 4. 'South CAM Roadmap': Ana Barrera, CNMC; Luis Parada, Enagas; Valter Diniz, REN 	11:15 – 12:15
3. Update on the early implementation process <ul style="list-style-type: none"> 1. Early implementation at IP-level: Victoria Gerus, ENTSOG 2. Issues arising in the CAM NC early implementation: review of solutions adopted and open questions: Juan de Miguel, ACER 3. Booking Platform Report: Jan Vitovsky, ENTSOG 	12:15 – 13:45
4. AOB and close	13:45 – 14:00
Lunch	14:00 –

3rd CAM Roadmap Stakeholders Meeting

Brussels, 22nd September 2014





PRISMA's Shareholders and PRISMA are **continuously** working **to further develop the company and the platform.**

The developments of the company are related to **connect other TSOs** and to **improve the funding rules** of the cooperation between the Shareholders.

The developments of the platform are related to:

- finalize the implementation of the CAM requirements;
- implement new functionalities foreseen by other European or National regulation;
- improve current functionalities thanks to the good and close cooperation with National Authorities and market participants

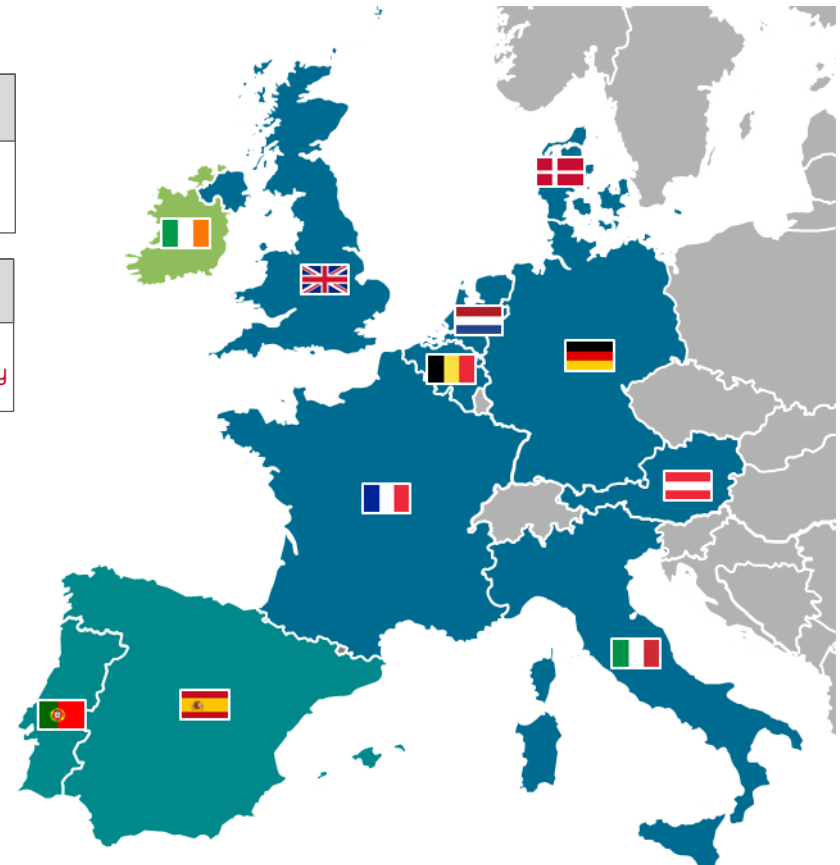
Connecting other TSOs



PRISMA's Shareholders are **continuously** working on connecting other TSOs:

- **BBL** joined PRISMA as Shareholder;
- **GasLink** joined PRISMA as Customer.

Germany 	Belgium 	Denmark 	France
Ireland 	Italy 	Netherlands 	
Portugal 	Spain 		
UK 	Austria 		



- PRISMA's Shareholders
- New PRISMA's Customers
- On going pilot projects

The new direct cost allocation of PRISMA's functionalities will be based on three different cost categories.



1. European Company and Platform

Costs allocated using the ENTSOG voting rights

- Costs for CAM development and EU requirements
- Costs of the company
- Future developments

All TSOs
(individual amounts)

2. National requirements

Costs allocated to TSOs using the functionalities

- National developments: investments, interests and maintenance costs
- Investments fully depreciated in March 2018

Individual TSOs
(individual amounts)

3. Connection and testing costs

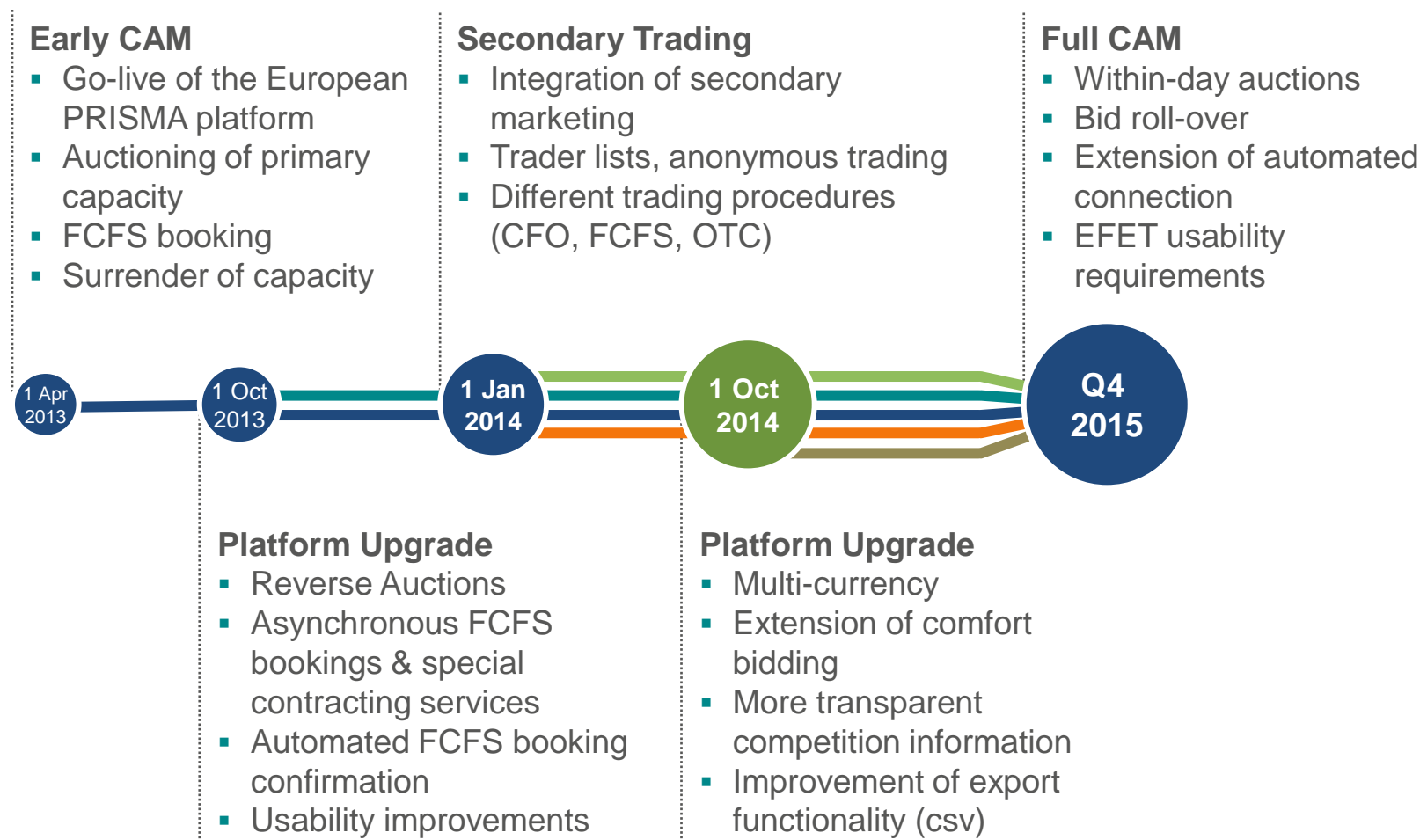
Costs allocated based on the number of TSOs

- Connection costs
- Testing HR costs and testing tool

All TSOs
(same amount)

The new cost allocation model will be implemented from 1 January 2015

Future developments matching the needs of TSOs and Shippers.





GSA – capacity auctioning platform



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the system that connects

Legal background

- ▶ EU regulatory framework designed to complete an internal market and foster competition:
 - ▶ III energy package
 - ▶ Directive 2009/73
 - ▶ Regulation 715/2009
 - ▶ Network Codes, including CAM NC

Article 27 of CAM NC:

*1. Transmission system operators shall apply this Regulation by offering capacity by means of one or a limited number of **joint web-based booking platforms**. Transmission system operators can operate these **platforms** themselves or via an **agreed party** that, where necessary, acts on behalf of them towards the network users(...)."*

- ▶ Other legal acts, including i.a. TENE Regulation
- ▶ Our goal is to provide:
 - ▶ a solution allowing to **implement** the provisions of the **European Network Code on Capacity Allocation Mechanisms** (NC CAM), adopted by the Commission Regulation (EU) No. 984/2013 of 14 October 2013 **at reasonable costs**.
 - ▶ high quality services that will satisfy both the Transmission System Operators and their Shippers.

GSA Implementation

STAGE I (July 2014)

- Multi TSO model
- **Bundled** and unbundled products
- Monthly, Quarterly, Yearly products

GSA Platform

2012

2013

2014

2015

**Information Exchange System
for GAZ-SYSTEM S.A. clients**

- Memorandums of understanding
- Pilot projects
- Cooperation agreements

STAGE II (31 DECEMBER 2014)

- Additional interface (edig@s v5 in accordance with BRS CAM ENTSG)
- **Full CAM NC compliance**
- Multicurrency
- Secondary Market
- Advanced security mechanisms
- Multilanguage
- Tariff calculator
- Financial security check
- Daily & Within-day Auctions

Maintenance 24/7

More than 503
registered users

More than 150 auctions
conducted successfully
from December 2013

STAGE 1 (completed on 21 July 2014):

- ▶ Stage 1 of the Platform is fully implemented and used on the regular basis.
- ▶ GSA is the only tool now used in GAZ-SYSTEM for the allocation of the capacities
- ▶ Q and M auctions already performed without any problems (also bundled)

STAGE 2 (under development, 31 Dec 2014):

- ▶ Stage 2 of the Platform (full CAM NC compliance) is under preparation

COOPERATION WITH OTHER TSOs:

- ▶ Pilot project with the Czech TSO – NET4GAS in progress (implementation 2014/2015)
- ▶ Discussion with German TSOs and German NRA ongoing
- ▶ Discussion with other TSOs about other pilot projects

PRICING:

- ▶ Each TSOs joining the GSA Platform, will lower unit cost of its operation and implementation (per IP)
- ▶ Annual Fee estimated around 15 000 – 20 000 EUR per Contractual IP (per direction)
- ▶ The fee for use of the platform will be independent from the number of auctions carried out by Operator at the Contractual IP (per direction)
- ▶ **Pilot projects free of charge**

GOVERNANCE:

- ▶ For the time being GAZ-SYSTEM is the sole owner of the Platform
- ▶ Council of TSOs to be established in case other TSOs shall joint on permanent basis
- ▶ If requested by other TSOs various different business models can be considered
- ▶ Main focus on costs control

Auctions – main principles

- ▶ **Amount of bundled capacity:**

- ▶ Based on declaration of available capacities by both TSOs
- ▶ Lesser rule for bundled capacity

- ▶ **Unbundled capacity**

- ▶ Discrepancies between declared available capacities
- ▶ Declared by single TSO

- ▶ **Periods:**

- ▶ Y, Q, M, D, WD

- ▶ **Tariffs**

- ▶ Base fee as sum of both TSO Tariff rates
- ▶ Surcharge rates (large and small step)

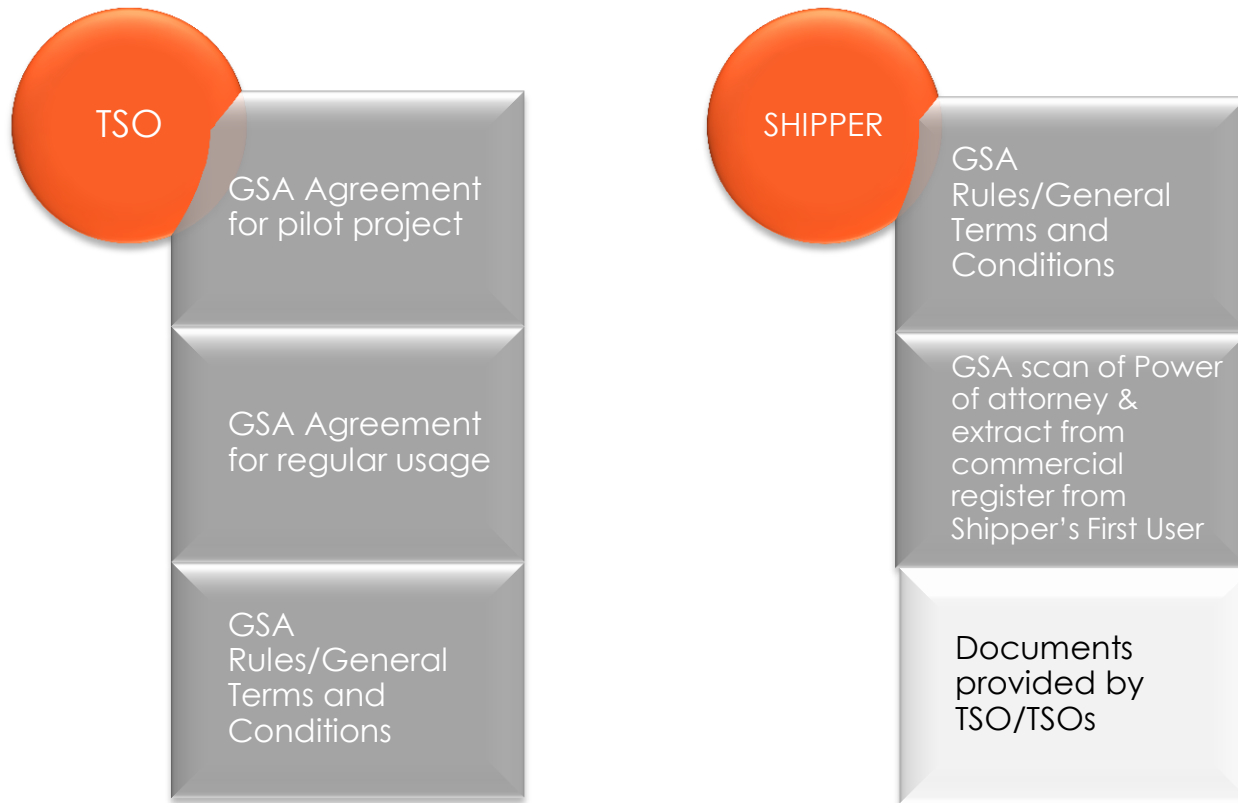
- ▶ **Auction Date**

- ▶ Default NC CAM/ENTSOG calendar
- ▶ Optionally on TSO demand

- ▶ **Auction cascades**

- ▶ Capacity not allocated during auction is set down automatically for shorter periods' products

How to access the GSA?



GSA documents : <https://auctions.gaz-system.pl/files/downloads>

How to access the GSA?



Operators

We invite all of the new Transmission System Operators interested in cooperating with the GSA Platform to register.

[Register »](#)

Shippers

We invite all of the new Network Users interested in cooperating with the GSA Platform to register.

[Register »](#)

Sign in

[Forgot your password?](#)

[Login](#)

PRODUCTION ENVIRONMENT:

<https://auctions.gaz-system.pl/>

TEST ENVIRONMENT (For interested TSOs, NRAs):

<https://auctions.gaz-system.pl/test>

We invite all interested companies to test GSA Platform functionalities and become familiar with the documents!

Cooperation with other platforms

1. Each TSO should have a free choice to select the platform based on: effectiveness, user friendliness, optimal financial model, adapted to the specific situation of each operator. It should not be forced to do that
2. GSA and other available platforms on the market meet the needs of particular groups of TSOs and reflect the situation in particular regions in EU in terms of market development
3. **As soon as possible (GSA approach), the way of cooperation between the platforms should be agreed on**
4. Single Contractual IP should be auctioned on a single platform
5. **At the present stage the solution seems to be:**
 1. **Contractual IP on one platform. It means that capacity on two directions could be auctioned via two different platforms**
 2. **In case of a cross border point between two TSO using different platforms – TSOs should choose one platform and respect exclusively their costs. It means that TSO which is not a user of a chosen platform should not bear the costs of using that platform**



Thank you for your attention



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FÖLDGÁZSZÁLLÍTÓ

A MOL-CSOPORT TAGJA

Regional Booking Platform & Pilot Project on the HU-RO Border

Status Update, CAM Roadmap Stakeholder Forum

Brussels, 22 September 2014

**Balázs Tatár
Business Development Manager
FGSZ Ltd**

WWW.FGSZ.HU



Legjobb Munkahely
Világgazdaság – Aon Hewitt 2011

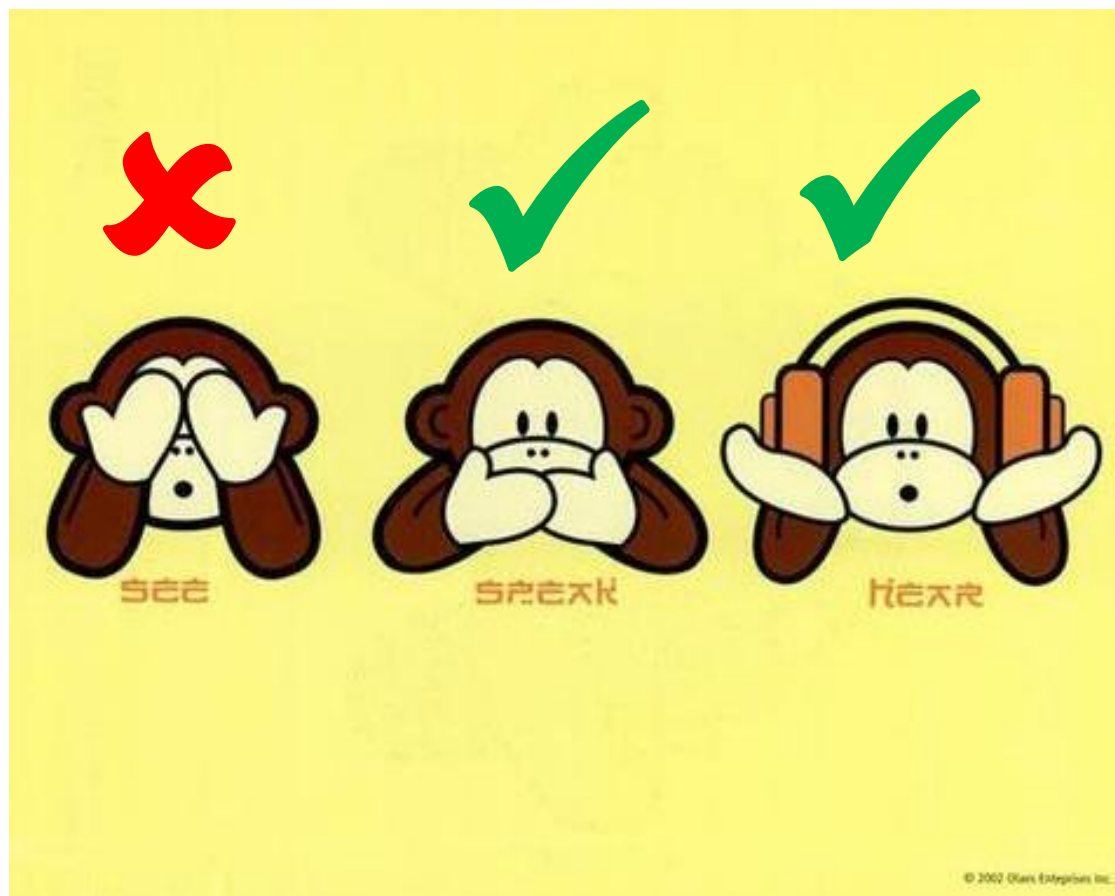


Legjobb Munkahely
Világgazdaság – Hewitt Felmérés 2010



Best Employer
Central Eastern Europe 2010/2011

The 'Legend' of RBP



Some Quick Answers

YAHOO!
ANSWERS

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If something is not known/perceived, it doesn't exist? ★

I am sure that even without sensing it, things are existing all over me (I mean come on, I'm pretty sure the ozone is up there), but theoretically it doesn't if I don't perceive it? It's just so radical of a thinking that my practical brain just can't accept it. My mind keeps on firing all sorts of things to counter the idea.

For example, whenever I go to my room and close my eyes, the whole universe out there doesn't exist anymore? That's crazy!

Why would anyone even consider the idea.

Best Answer

Asker's Choice



[Irrelevant](#) answered 1 year ago

Your version of reality is composed from your perception of the physical world.

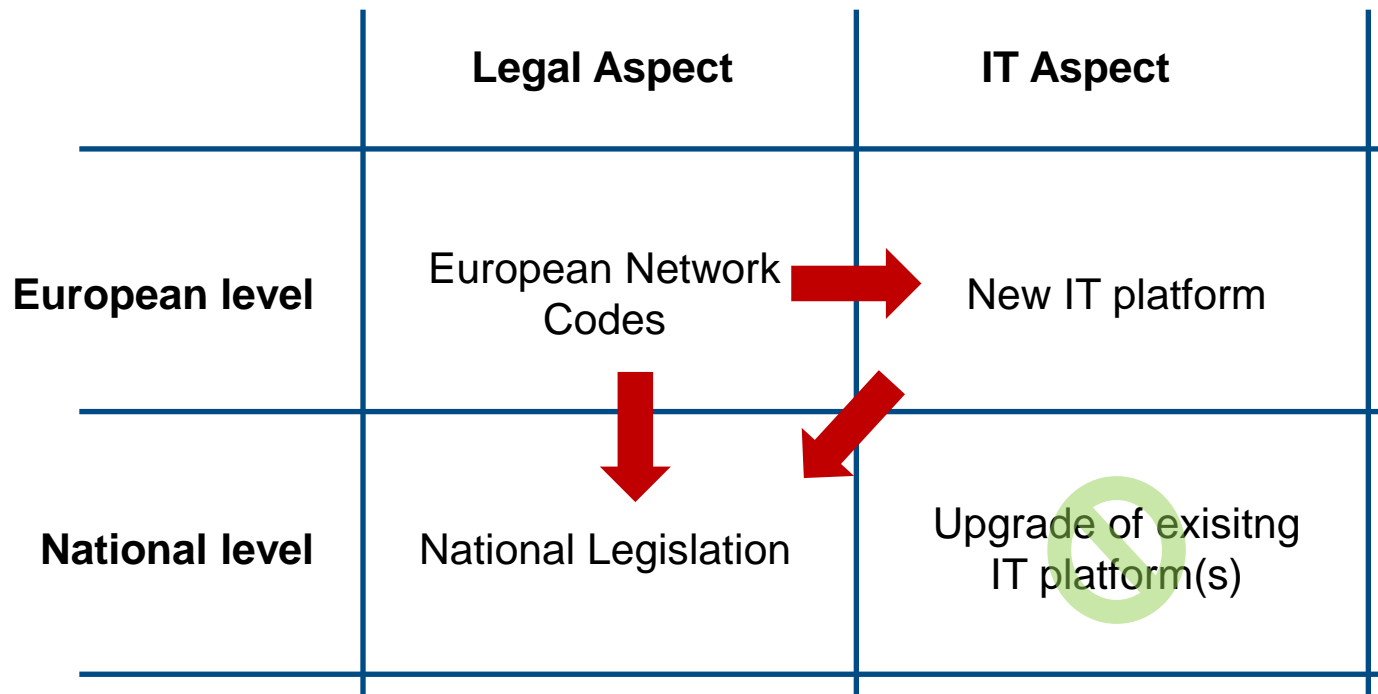
If you never observe a particular something, that something literally does not exist in your version of reality.

If nothing ever observes a particular something, that something literally does not exist in any version of reality.

The physical world seems to exist independent of human observation, but does not exist independent of observation in general.

The reason behind this is that an object can only be inferred to exist by another object through its observable properties. By "observable properties" I mean those another object can interact with. These properties are what define the object.

Our Approach



TSOs



Network Users

Producers

Traders

Shippers

**Large
consumers**

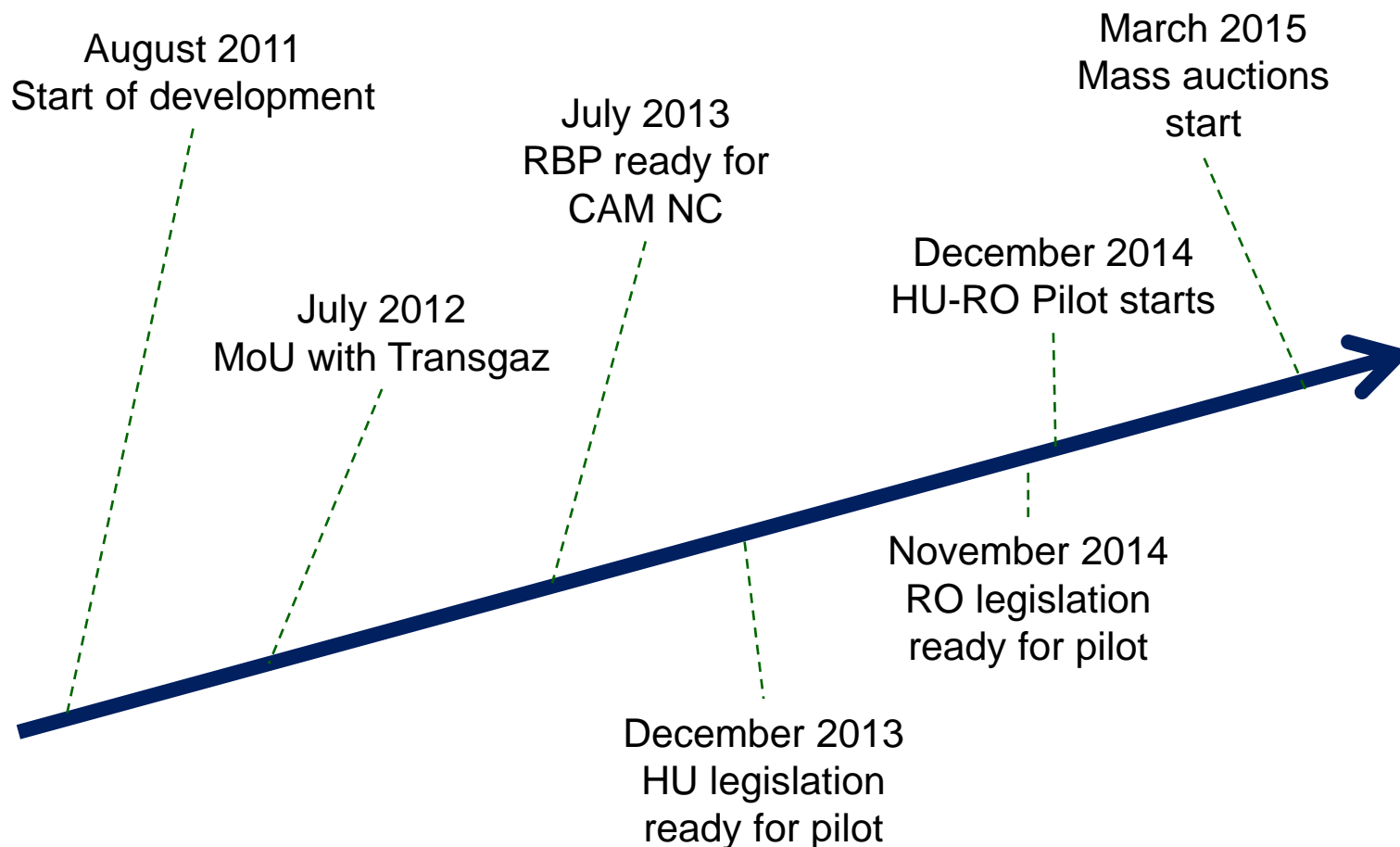


The Regional Booking Platform

A Summary of the Regional Booking Platform

- A capacity booking platform developed by FGSZ for the full compliance with CAM NC
- **Thin client solution** for both TSOs and network users (quick and easy access), which also radically limits TSO connection costs
- **IP-by-IP based** applicability (does not require exclusivity from TSOs)
- **User-friendly** interfaces
- **Robust** IT solution
 - Ability to service a high number of IPs (peak service load designed for 300 simultaneous capacity auctions with 100.000 transactions/second)
 - 24/7 availability guaranteed by the Platform Operator
- **Customisable** / on-demand functionality for TSOs and network users
- Flexible business model
- NRAs of the associated TSOs supervise platform operation

What has been Happening?



What's new since March 2014?

HU-RO Pilot

- First capacity auctions on 10 December 2014 (following which the CAM NC calendar will be used starting from January 2015)
- Monthly bundled capacity allocation at Csanádpalota (2 IPs)
 - HU→RO flow direction (EIC 21Z000000000236Q)
 - RO→HU flow direction (EIC 39WKECSANAD1IIN2)
- Pilot News
 - HU regulatory licence issue procedure shortened from 90 to 2 days
 - Network user info days in the middle of October in Budapest and Bucharest (exact dates tbc with the regulators). What will be announced?
 - Terms and conditions of TSO network access
 - Terms and conditions of RBP access as well as network user training dates

Mass Auctions

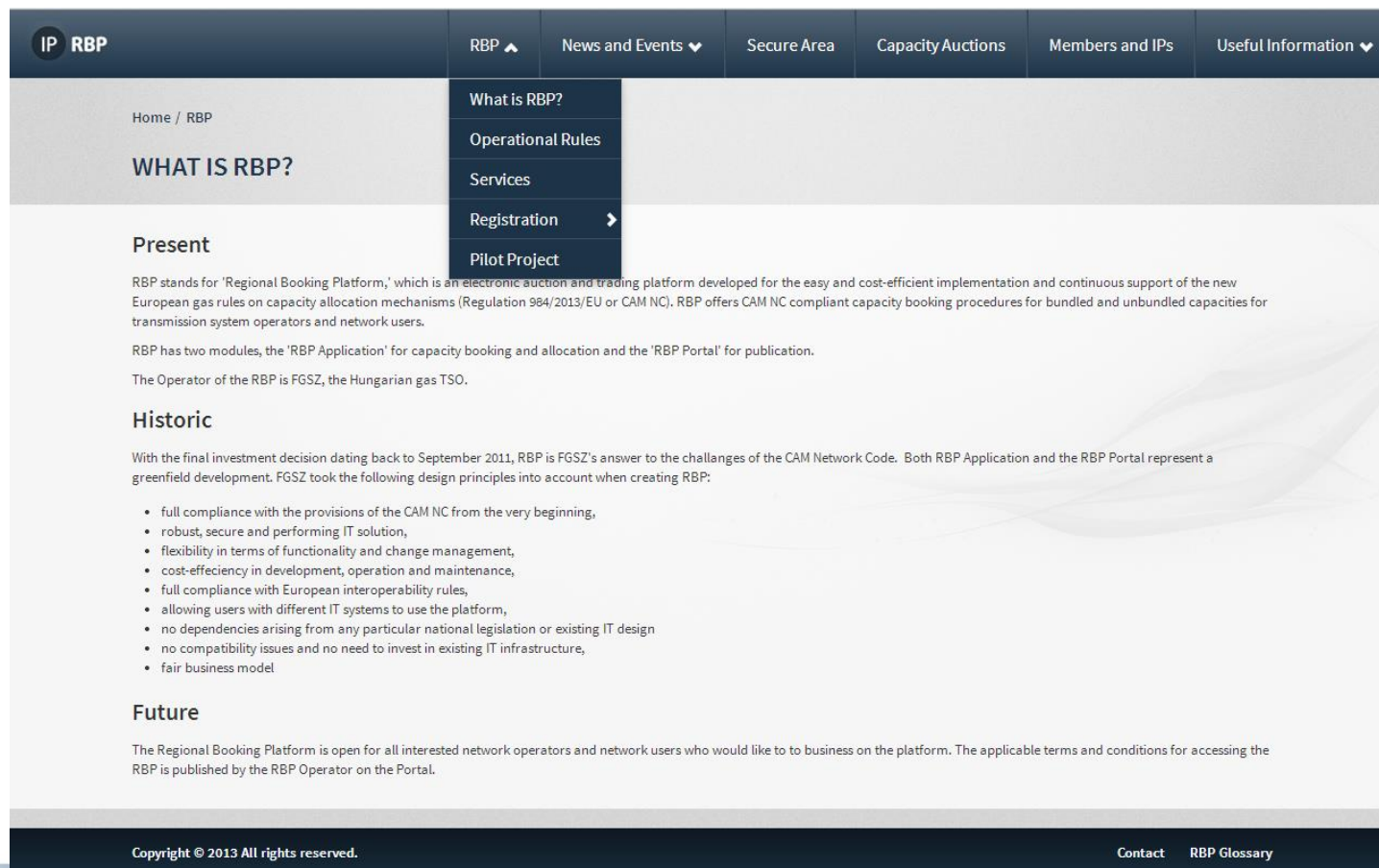
- 400+ Hungarian network points allocated via simultaneous auctions from March 2015 (bundled and unbundled)

Extension of Bundling

- Talks to extend bundling to domestic storages (transmission+storage capacities)

Regional Booking Platform – Portal

- Publication portal for announced auctions, auction results and information about RBP
- Network User registration



The screenshot shows the RBP Portal website. The top navigation bar includes links for IP, RBP, RBP (dropdown), News and Events (dropdown), Secure Area, Capacity Auctions, Members and IPs, and Useful Information (dropdown). The main content area is titled 'WHAT IS RBP?' and includes a 'Present' section with a description of the platform, a 'Historic' section with a list of design principles, and a 'Future' section. A sidebar on the right contains a dropdown menu with options: What is RBP?, Operational Rules, Services, Registration (highlighted with a right arrow), and Pilot Project.

Home / RBP

WHAT IS RBP?

Present

RBP stands for 'Regional Booking Platform,' which is an electronic auction and trading platform developed for the easy and cost-efficient implementation and continuous support of the new European gas rules on capacity allocation mechanisms (Regulation 984/2013/EU or CAM NC). RBP offers CAM NC compliant capacity booking procedures for bundled and unbundled capacities for transmission system operators and network users.

RBP has two modules, the 'RBP Application' for capacity booking and allocation and the 'RBP Portal' for publication.

The Operator of the RBP is FGSZ, the Hungarian gas TSO.

Historic

With the final investment decision dating back to September 2011, RBP is FGSZ's answer to the challenges of the CAM Network Code. Both RBP Application and the RBP Portal represent a greenfield development. FGSZ took the following design principles into account when creating RBP:

- full compliance with the provisions of the CAM NC from the very beginning,
- robust, secure and performing IT solution,
- flexibility in terms of functionality and change management,
- cost-efficiency in development, operation and maintenance,
- full compliance with European interoperability rules,
- allowing users with different IT systems to use the platform,
- no dependencies arising from any particular national legislation or existing IT design
- no compatibility issues and no need to invest in existing IT infrastructure,
- fair business model

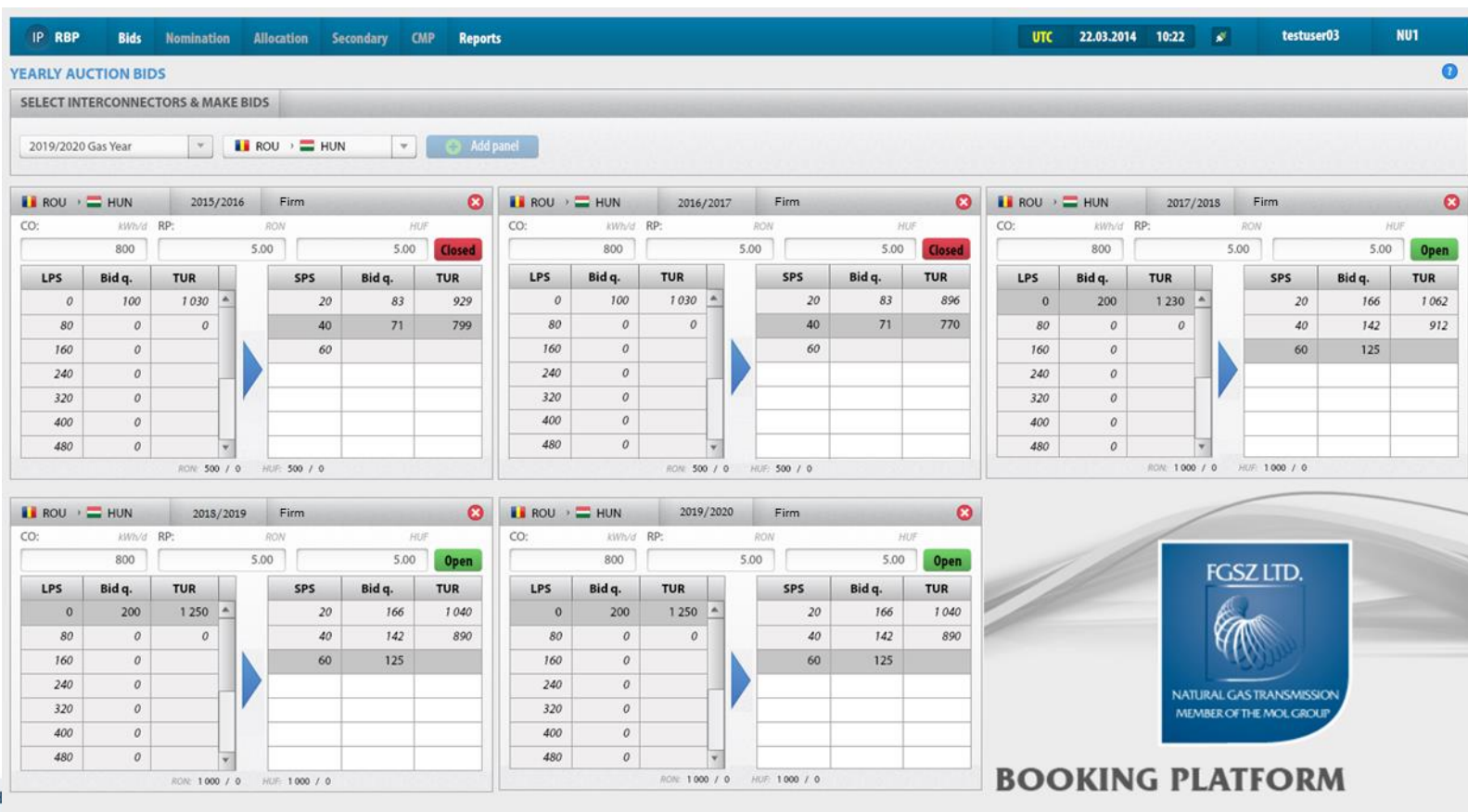
Future

The Regional Booking Platform is open for all interested network operators and network users who would like to to business on the platform. The applicable terms and conditions for accessing the RBP is published by the RBP Operator on the Portal.

Copyright © 2013 All rights reserved. [Contact](#) [RBP Glossary](#)

RBP Application – Network Users Bid for Multiple Auctions

- RBP allows manual bidding for 6 auctions per screen
- The number of bidding screens are not limited
- In case of increased number of simultaneous auctions, SOAP interfaces will be provided



The screenshot displays the RBP application interface with the following components:

- Top Navigation Bar:** Includes tabs for IP, RBP, Bids, Nomination, Allocation, Secondary, CMP, and Reports. It also shows the UTC time (22.03.2014 10:22) and user information (testuser03, NU1).
- Section Header:** YEARLY AUCTION BIDS
- Select Interconnectors & Make Bids:** A section with a dropdown for the gas year (2019/2020 Gas Year) and a dropdown for the interconnector (ROU → HUN). It includes an "Add panel" button.
- Bidding Panels:** Four panels are shown, each for a different gas year and interconnector:
 - 2015/2016 Firm:** CO: 800, RP: 5.00, HUF: 5.00. Status: Closed.
 - 2016/2017 Firm:** CO: 800, RP: 5.00, HUF: 5.00. Status: Closed.
 - 2017/2018 Firm:** CO: 800, RP: 5.00, HUF: 1.000. Status: Open.
 - 2018/2019 Firm:** CO: 800, RP: 5.00, HUF: 5.00. Status: Open.
 - 2019/2020 Firm:** CO: 800, RP: 5.00, HUF: 5.00. Status: Open.
- Bidding Tables:** Each panel contains two tables for bidding:

LPS	Bid q.	TUR	SPS	Bid q.	TUR
0	100	1 030	20	83	929
80	0	0	40	71	799
160	0		60		
240	0				
320	0				
400	0				
480	0				



BOOKING PLATFORM

RBP Application – TSO Auction Management

- TSOs manage auctions online on RBP, where all auction features are flexible parameters (auction calendar, NU access control, price steps, currency etc.)

IP

RBP

Overview

Details

Nomination

Allocation

Secondary

CMP

Admin

Reports

UTC 21.03.2014 14:06

tso1user

TS01

OVERVIEW OF MONTHLY AUCTIONS

STATUS

Total number of auctions: 1

PENDING: 0

LARGE: 0

SMALL: 0

CLOSED: 1

100%

PROGRESS

5:00

6:00

7:00

8:00

9:00

10:00

11:00

12:00

13:00

14:00

15:00

16:00

17:00

18:00

All Interconnector

All Product

Interconnector	Gas month	Cap. o.	kWh/d	Total u.	kWh/d
HUN → ROU	July 2014	100	96		

☐ Show all
 ☐ Show open
 ☒ Show closed

IP

RBP

Overview

Details

Nomination

Allocation

Secondary

CMP

Admin

Reports

UTC 21.03.2014 14:01

tso1user

TS01

OVERVIEW OF MONTHLY AUCTIONS

STATUS

Total number of auctions: 10

PENDING: 3

LARGE: 5

SMALL: 1

CLOSED: 1

30% 50% 10% 10%

PROGRESS

All Interconnector

All Product

Interconnector	Gas month	Cap. o.	kWh/d	Total u.	kWh/d	Overb. r.	%	Actual p.	%	Reserve p.	Reserve p.	LPS	SPS	Status	Listening
BDI → BWA	July 2014	100	100	100.00	0	1.00	BOB	2.00	BWP	0	0/4	✓	✓		
BDI → COG	July 2014	100	0	0.00	0	1.00	BOB	2.00	USD	0	0/4	✓	✓		
BDI → EGY	July 2014	100	0	0.00	0	1.00	BOB	2.00	USD	0	0/4	✓	✓		
UGA → BDI	July 2014	100	0	0.00	0	1.00	USD	2.00	BOB	0	0/4	✓	✓		
COD → BDI	July 2014	100	0	0.00	0	1.00	EUR	2.00	BOB	0	0/4	✓	✓		
HUN → ROU	July 2014	100	96	96.00	16	1.00	HUF	2.00	RON	1	3/4	✗	✓		
HUN → ROU	July 2020	1 000	0	0.00	0	1.20	HUF	2.30	RON	N/A	N/A	✗	✗		
ROU → HUN	July 2020	1 000	820	82.00	16	1.20	RON	2.30	HUF	1	1/2	✓	✓		
HUN → ROU	December 2022	1 000	0	0.00	0	1.20	HUF	2.30	RON	N/A	N/A	✗	✗		
HUN → ROU	July 2023	1 000	0	0.00	0	1.20	HUF	2.30	RON	N/A	N/A	✗	✗		

☒ Show all
 ☐ Show open
 ☐ Show closed

Details

Thank you for your kind attention!

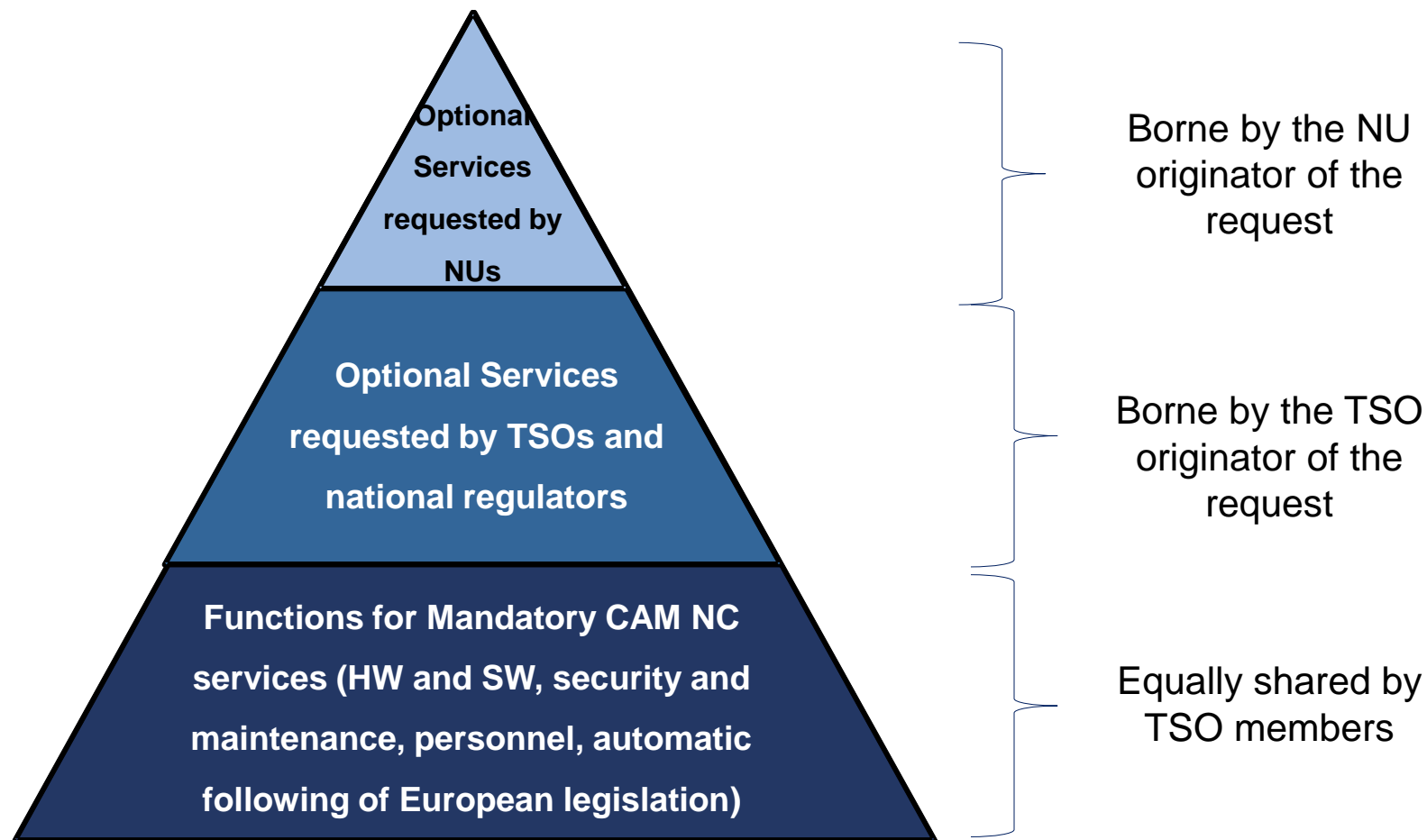
Contact: rbp@fgsz.hu



FÖLDGÁZSZÁLLÍTÓ
A MOL-CSOPORT TAGJA

Backup Slides

Cost Allocation Model of RBP



ACER

Agency for the Cooperation
of Energy Regulators



TIGF



Early implementation of CAM NC in the South Gas Regional Initiative

Brussels, 22nd September 2014

● Coordinated capacity allocation in the South Region

- ▶ **Since 2012, SGRI has made progress to early implement the CAM NC**
 - Cooperation between NRAs and TSOs
 - 4 TSOs: Enagas, TIGF, REN, GRTgaz**
 - 3 NRAs: CNMC, CRE, ERSE**
 - Coherent and coordinated process: regulatory changes; Coordinated Auction Office , simultaneous bids, etc.
 - Creation of virtual interconnection points
 - Harmonization of capacity products (bundled capacity in the VIP), agreement on reserve price, price steps and TSOs revenue split
 - Information Memorandum proposed by TSOs and approved by NRAs
 - In June 2013 the Roadmap in the South region was approved by NRAs after being submitted to public consultation
 - National regulation adopted to adapt national legislation to CAM NC
 - TSOs work coordinately on their IT systems and PRISMA

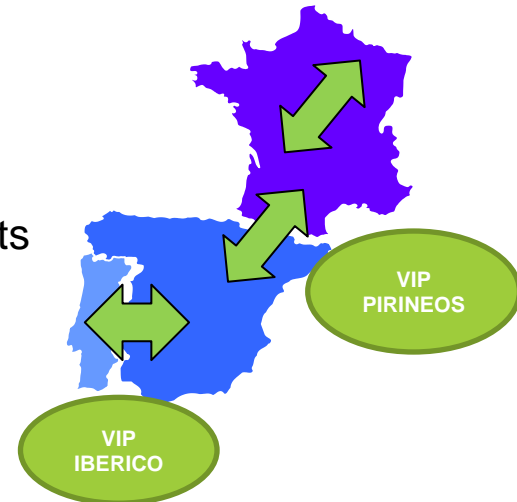
Coordinated capacity allocation in the South Region

► VIP IBERICO

- In **2012**: auction to sell annual and monthly capacity products
- In **2013**: annual and quarterly capacity products

► VIP IBERICO and VIP PIRINEOS

- Using a common platform PRISMA
- In **March 2014**: first joint auction in the region - annual yearly auction
- In **June 2014**: first annual quarterly auction
- In **September 2014**: first monthly auction
- Day ahead and within day will be developed when the internal IT systems of TSOs will be ready. **Before November 2015**



Coordinated capacity allocation in the South Region

Regulatory framework to develop auctions in the Region

➤ ES:

a CNMC Circular has been approved on 12 February 2014. Published in the BOE (Bulletin Official of the State).

“Circular 1/2014, de 12 de febrero de 2014, de la Comisión Nacional de los Mercados y la Competencia, por la que se establecen los mecanismos de asignación de capacidad a aplicar en las conexiones internacionales por gasoducto con Europa”

➤ FR:

a CRE Deliberation has been approved on 13 February 2014.

“Deliberation of the Commission de Régulation de l'Énergie of 13 February 2014 on rules for the progressive implementation of the European network code on the allocation of gas transmission capacity at interconnection points between entry-exit systems”

➤ PT:

an Information Memorandum elaborated by Spanish and Portuguese TSOs, in coordination with NRAs and approved by ERSE in February 2014.

“Coordinated implementation of the Network Code on Capacity Allocation Mechanisms. Information Memorandum. January 2014”

● Coordinated capacity allocation in the South Region

▶ French balancing zones:

- Ongoing to adapt capacity products to CAM NC
- **IP between GRTGaz North and South**
 - ✓ Single PEG France in **2018**
 - ✓ North to South: same methodology as Nov 2012 for Apr 2014 to Sept 2014 and two phases (prorata + auction) for Oct 2014 to 2018
 - ✓ South to North: OSP with prorata to allocate April 2014-Sept 2014 and auctions for yearly products from Oct 2014 to Sept 2018
- **IP between GRTGaz South and TIGF**
 - ✓ Single PEG in **April 2015**
 - ✓ OSP with prorata to allocate April 2014-Sept 2014 and Oct 2014-Mar 2015

● Other improvements ongoing

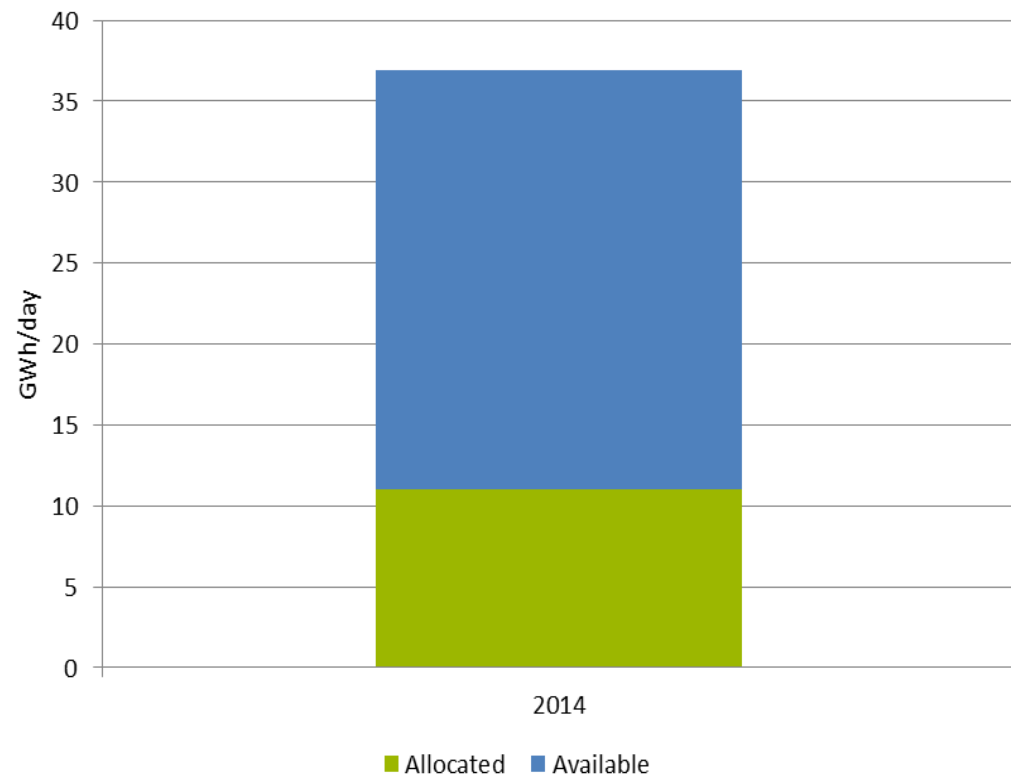
- ▶ Aspects to be harmonized together with the CAM NC, Interoperability NC and Balancing NC as the priorities by 1st November 2015 in the Region:
 - Gas day - 06:00 h a 06:00 h
 - Nomination/renomination schedule
 - Data exchange
 - Combustion reference temperature

Annual yearly capacity auctions: March 2014

► VIP IBÉRICO

- Bundled capacity was auctioned in both flow directions (ES→PT and PT→ES) only for the gas year 2014
- All auctioned capacity was **firm**.
- **30%** of the bundled capacity was allocated in the **ES → PT flow direction** at the **reserve price**, there was no premium.
- **94%** of the **unbundled** auctioned capacity at the **Portuguese side** was **allocated**.

► Yearly bundled capacity ES→PT

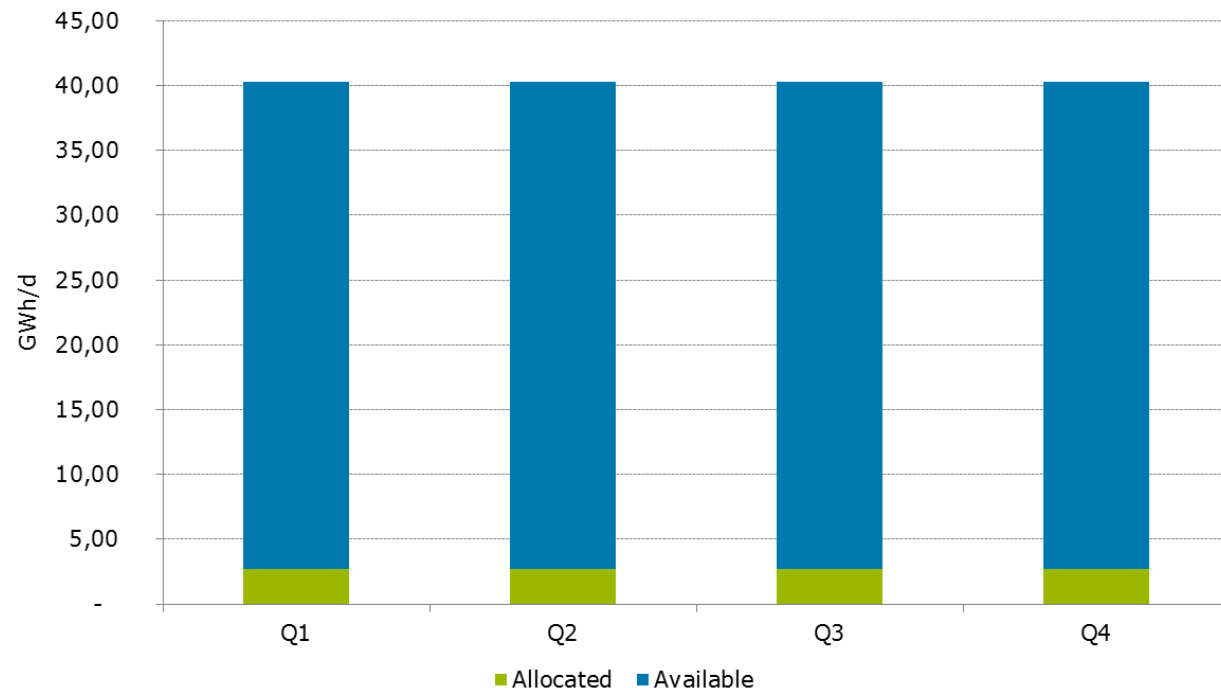


Annual quarterly capacity auctions: June 2014

► VIP IBÉRICO

- Bundled capacity was auctioned in both flow directions (ES→PT and PT→ES)
- All auctioned capacity was firm.
- **6.7%** of the bundled capacity was allocated only in the **ES→PT flow direction** at the **reserve price** in every quarter auctioned.
- Unbundled capacity was auctioned at the Portuguese side but no capacity was allocated.

► Quarterly bundled capacity ES→PT

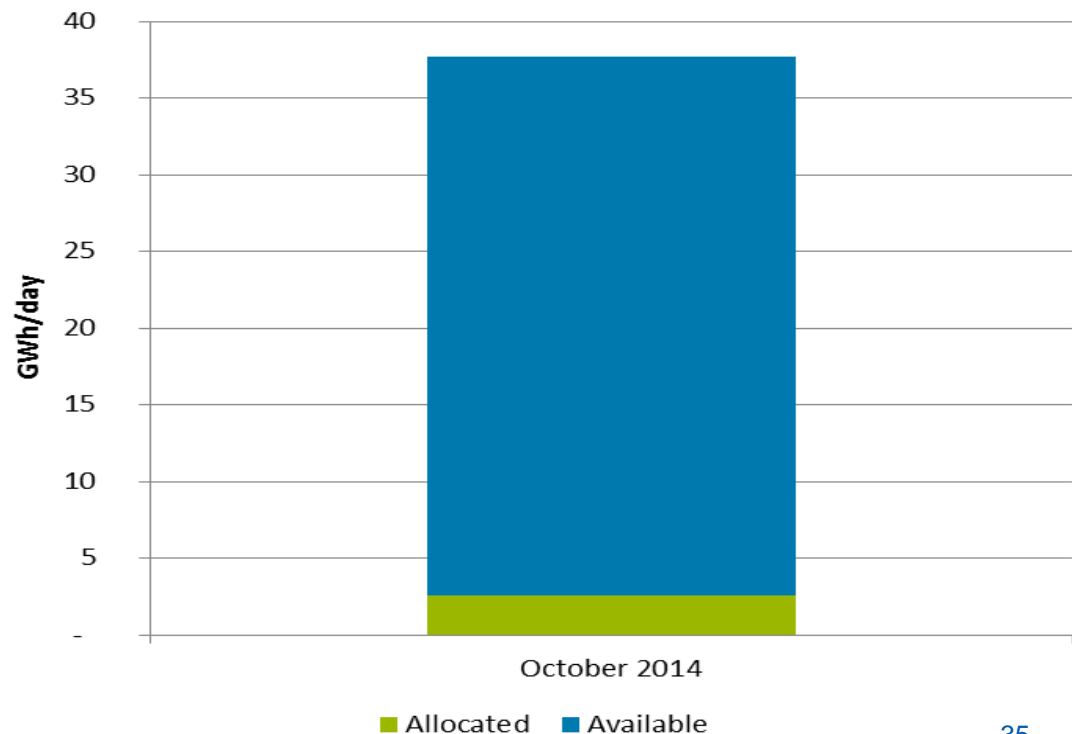


● Rolling monthly capacity auctions: Sep 2014

▶ VIP IBÉRICO

- Bundled capacity was auctioned in both flow directions (ES→PT and PT→ES)
- Unbundled capacity was not auctioned at the Spanish side.
- **7%** of the bundled capacity was allocated **only in the ES→PT** flow direction for the monthly capacity product of **October 2014** at the **reserve price**.
- There were no bids for the remaining auctions.
- Unbundled capacity was auctioned at the Portuguese side but no capacity was allocated.

▶ Rolling monthly bundled capacity ES→PT



Annual yearly capacity auctions: March 2014

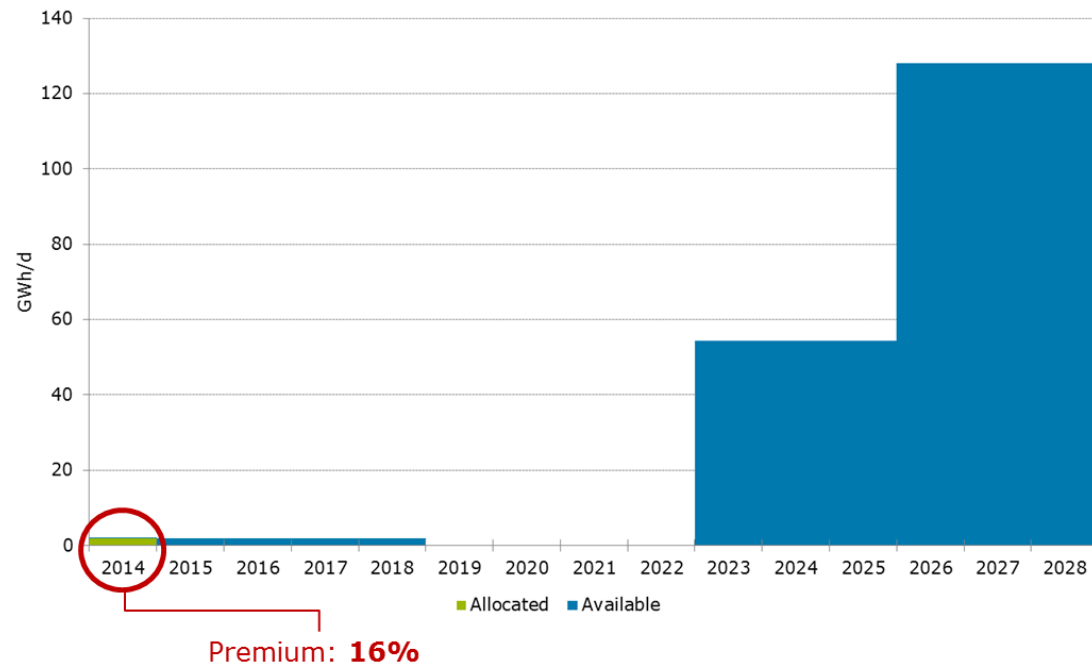
► VIP PIRINEOS

- Bundled capacity was auctioned for the following 15 years in both flow directions (ES→FR and FR→ES)
- Unbundled capacity was auctioned at the Spanish side for the gas year 2014 in both flow directions

► Yearly bundled capacity FR→ES

- **96%** of the bundled capacity was allocated in the **FR→ES flow direction only for year 2014:**

- **Bundled capacity** was allocated at a **premium of 16% above the reserve price.**
- **All unbundled capacity offered** was allocated at the **reserve price.**

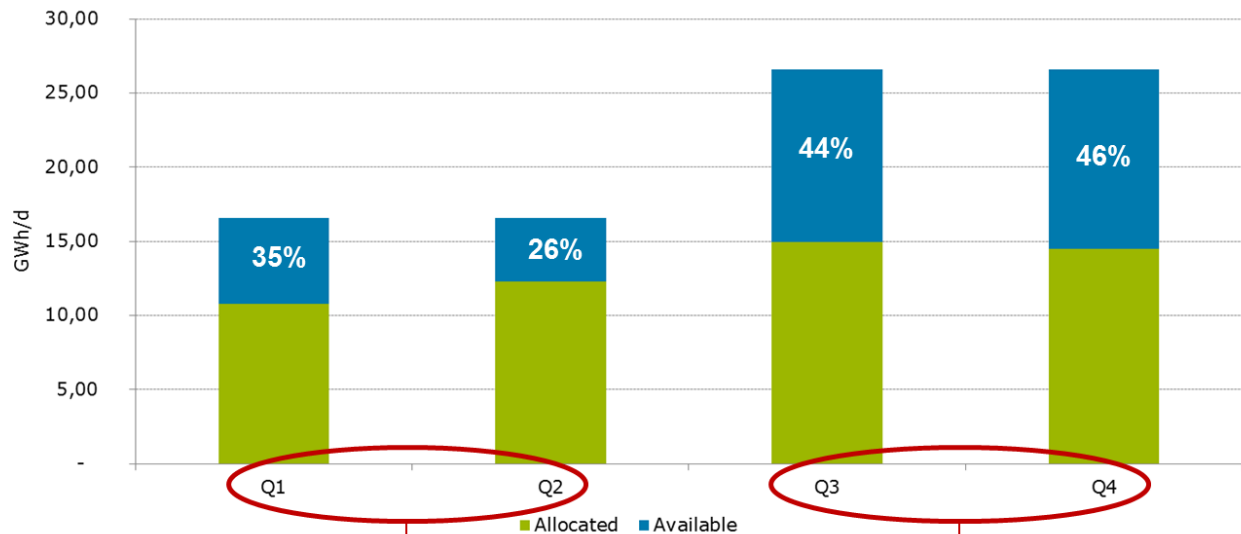


Annual quarterly capacity auctions: June 2014

► VIP PIRINEOS

- Bundled quarterly capacity was auctioned in both flow directions (ES→FR and FR→ES)
- Unbundled quarterly capacity was auctioned in the ES→FR flow direction.
- All auctioned capacity was firm.
- Capacity was allocated only in the FR→ES flow direction:
 - In Q1 and Q2 capacity was allocated at a **premium of 6% above the reserve price.**
 - In Q3 and Q4 the capacity was allocated at the **reserve price.**

► Quarterly bundled capacity FR→ES



Premium: **6%**

Δ **8%** for the Spanish user above the regulated tariff

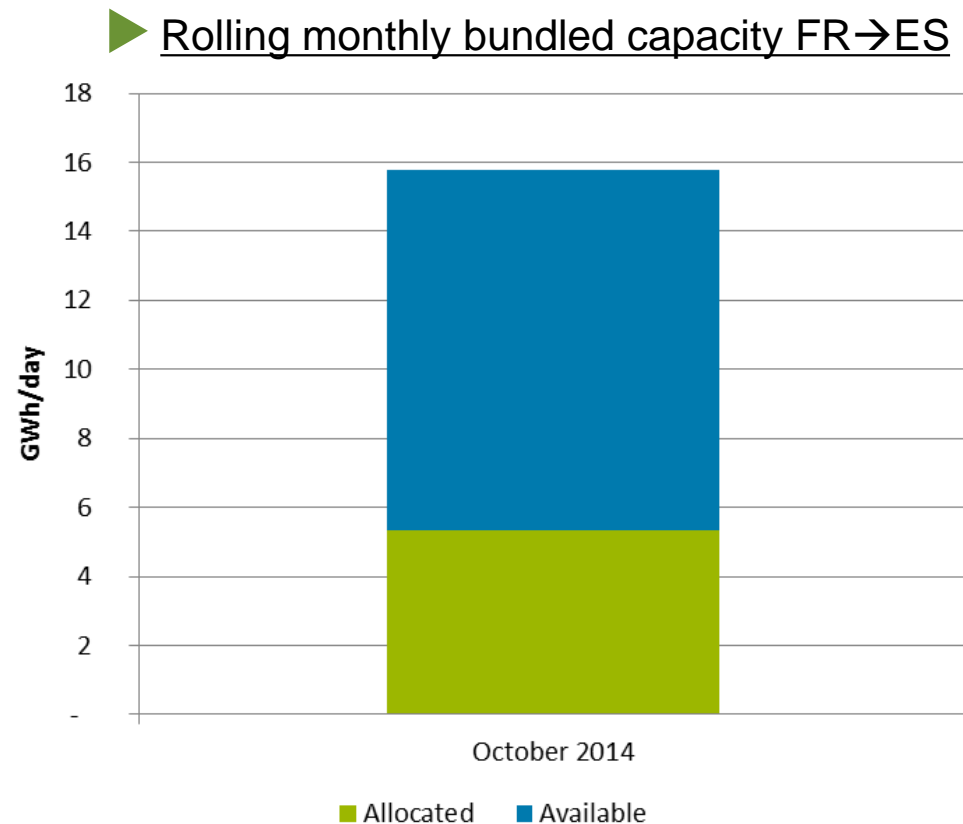
Δ **5%** for the French user above the regulated tariff

Regulated Tariff 37

● Rolling monthly capacity auctions: Sep 2014

▶ VIP PIRINEOS

- Bundled capacity was auctioned in both flow directions (ES→FR and FR→ES)
- Unbundled capacity was auctioned at the Spanish side in the ES→FR flow direction.
- **33% of the bundled capacity was allocated only in the FR→ES flow direction for the monthly capacity product of October 2014 at the reserve price.**
- There were no bids for the remaining auctions.





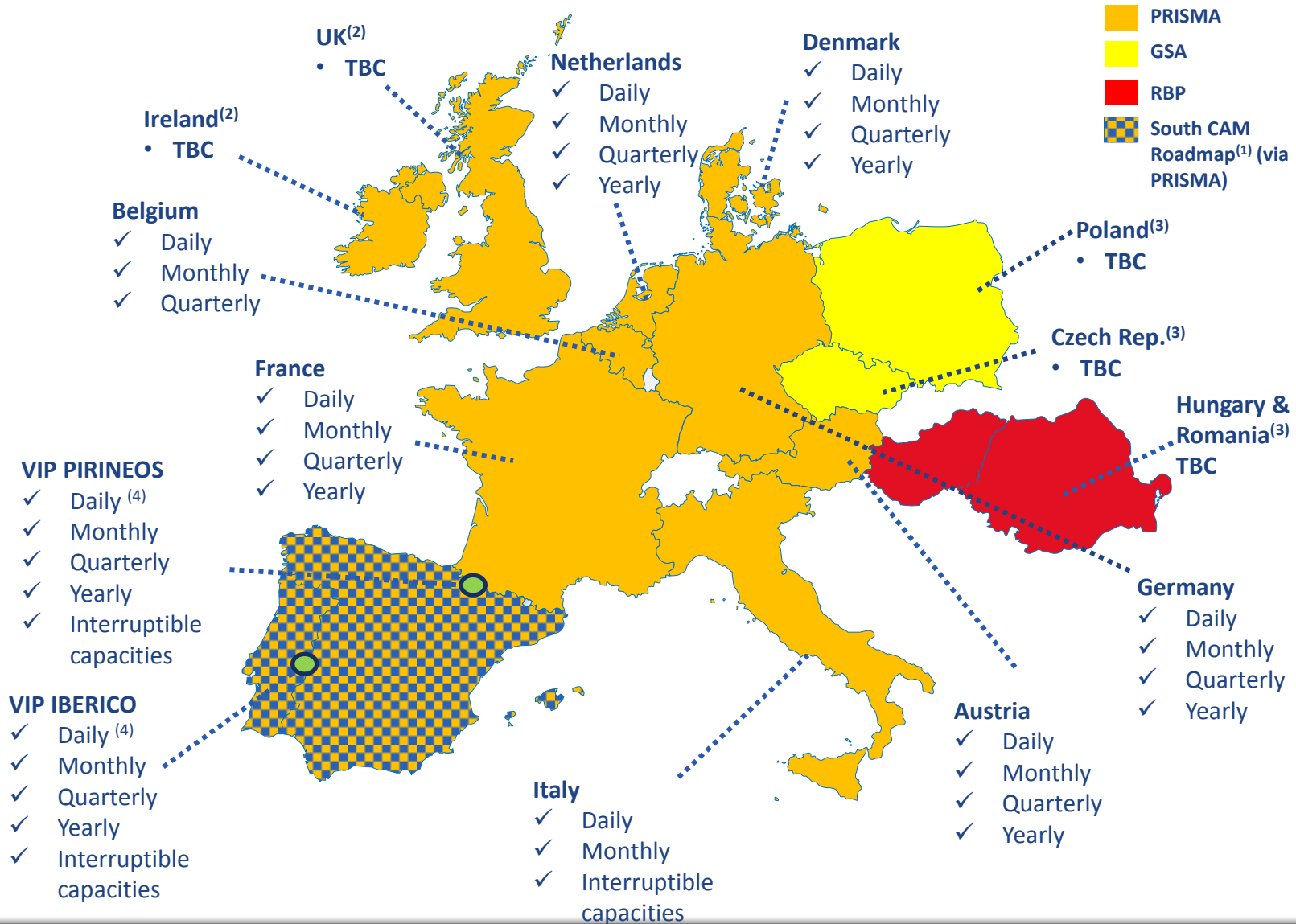
THANKS FOR YOUR ATTENTION

IP-level reporting on CAM NC early implementation

Victoria Gerus
ENTSOG Adviser

Brussels – 22 September 2014

The CAM Roadmap report gives high-level view of product offers across the projects



but IPs are the level of CAM implementation

Article 2 Scope

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 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.

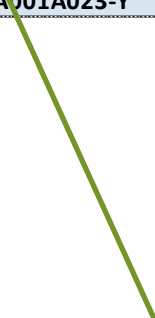
Where

‘interconnection point’ means a physical or virtual point connecting adjacent entry-exit systems or connecting an entry-exit system with an interconnector, in so far as these points are subject to booking procedures by network users

IP list has been cross-referenced with ENTSOG Capacity Map

ILLUSTRATIVE

IP NAME/ LOCATION	Key	EIC or identifier	TSO1	CC1	Dir	EIC or identifier	TSO2	CC2
Baumgarten		21Z000000000163R	BOG	AT	>	21Y---A001A023-Y	eustream	SK
		21Z000000000164P	TAG	AT	>	21Y---A001A023-Y	eustream	SK
		21Y---A001A023-Y	eustream	SK	>	21Z000000000163R	BOG	AT
		21Y---A001A023-Y	eustream	SK	>	21Z0000000000600	Gas Connect Austria	AT
		21Y---A001A023-Y	eustream	SK	>	21Z000000000164P	TAG	AT



EIC codes now available for
reference

List now includes IPs to third countries

ILLUSTRATIVE



IP NAME/ LOCATION	Key	EIC or identifier	TSO1	CC1	Dir	EIC or identifier	TSO2	CC2
Griespass (CH) / Passo Gries (IT)		21Y---A001A021-3	FluxSwiss	CH	>	21Y---A001A021-3	Snam Rete Gas	IT
		21Y---A001A021-3	Swissgas	CH	>	21Y---A001A021-3	Snam Rete Gas	IT
		21Y---A001A021-3	Snam Rete Gas	IT	>	21Y---A001A021-3	FluxSwiss	CH
		21Y---A001A021-3	Snam Rete Gas	IT	>	21Y---A001A021-3	Swissgas	CH

Application of CAM NC at IP is
subject to NRA decision

IP-level early implementation info: firm standard capacity products (offered; bundled)

By when will firm capacity products (where available) be allocated via auctions?																			
Yearly				Quarterly				Monthly				Daily				Within-day			
Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled	
TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2

Key:

- Yes early implementation (as of 1 Jul. 2014)
- 2014 prior to end-2014
- 2015 prior to 1 November 2015
- TBD to be determined (i.e. implementation decision pending)
- ID Implementation on deadline (i.e. 1 Nov. 2015 for CAM)
- NA not applicable
-  not relevant/exemption
-  no information

At a given IP for the same direction of flow, if the products do not match for TSO 1 and TSO 2, two entries are made

Where, when and how products are auctioned is also captured

When product(s) auctioned, by when...				
Web-based platform used?		URL/web link for booking platform	CAM NC timings used?	CAM NC auctions algorithms used?
TSO1	TSO2			

At many IPs, almost full product offer is available

ILLUSTRATIVE

Bundled product offers already available from PRISMA TSOs and others

Offer of within-day products under consideration or not planned until formal implementation date of Nov'15

By when will firm capacity products (where available) be allocated via auctions?																									
						Yearly				Quarterly				Monthly				Daily				Within-day			
						Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled	
IP NAME/ LOCATION	TSO1	CC1	Dir	TSO2	CC2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2
Oberkappel	BOG	AT	>	GRTgaz Deutschland	DE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	ID	ID	ID	ID
	BOG	AT	>	Open Grid Europe	DE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	ID	TBD	ID	TBD
	GRTgaz Deutschland	DE	>	BOG	AT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	ID	ID	ID	ID
	Open Grid Europe	DE	>	BOG	AT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	TBD	ID	TBD	ID

At others, the product offer is paced leading to the Nov. 2015 implementation date

ILLUSTRATIVE

						Yearly				Quarterly				Monthly				Daily				Within-day			
						Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled	
IP NAME/ LOCATION	TSO1	CC1	Dir	TSO2	CC2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2
Tegelen	Open Grid Europe	DE	>	Gasunie Transport Services	NL	Yes	Yes	2015	2015	Yes	Yes	Yes	2014	Yes	Yes	Yes	2015	Yes	Yes	Yes	Yes	TBD	TBD	TBD	TBD
	Gasunie Transport Services	NL	>	Open Grid Europe	DE	Yes	Yes	2015	2015	Yes	Yes	2014	Yes	Yes	Yes	2015	Yes	Yes	Yes	Yes	TBD	TBD	TBD	TBD	

Offer at VIPs is also documented

ILLUSTRATIVE

						By when will firm capacity products (where available) be allocated via auctions?																			
						Yearly				Quarterly				Monthly				Daily				Within-day			
						Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled		Offered		Bundled	
IP NAME/ LOCATION	TSO1	CC1	Dir	TSO2	CC2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2	TSO1	TSO2
VIP IBERICO	Enagás	ES	>	REN - Gasodutos	PT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2014	2014	2014	2014	ID	ID	ID	ID	ID	ID	ID	ID
	REN - Gasodutos	PT	>	Enagás	ES	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2014	2014	2014	2014	ID	ID	ID	ID	ID	ID	ID	ID
VIP PIRINEOS	TIGF	FR	>	Enagas	ES	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2014	2014	2014	2014	2014	ID	ID	ID	ID	ID	ID	ID
	Enagas	ES	>	TIGF	FR	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2014	2014	2014	2014	ID	2014	ID	ID	ID	ID	ID	ID

Observations from early implementation reporting exercise

- > **Best effort, voluntary information provision by TSOs involved in pilot projects and otherwise**
- > **Within pilot projects identified and reported upon**
 - **range of the standard capacity products offered is increasing over time**
 - **bundling is increasing as formal deadline approaches**
- > **Other TSOs are working toward the CAM NC implementation deadline of 1 November 2015; additional pilot projects may emerge over time**

Early implementation IP Annex serves as a valuable resource for stakeholders

Review of lessons learned, solutions adopted and open questions arising during CAM NC early implementation

Information for 3th CAM Roadmap Stakeholders meeting

Brussels – 22 September 2014

Overview of current issues and open questions

- Interaction between CAM and CMP
- Bundling of different firm capacity products
- Harmonisation of capacity contracts at both sides of the border
- Different currencies in use at each side of the border
- Licensing issues
- Transition period from the current gas year to the CAM NC gas year (where it is different)
- Implementation of auction calendar
- Booking platforms:
 - Costs of booking platforms
 - Activities of joint platforms and need for appropriate exchange of information
 - Agreement on which platform to use when allocating capacity at an IP between two adjacent TSOs using different booking platforms
 - Regulatory oversight of booking platform activities

Interrelation between CAM and CMP

Brief description

A number of CAM NC provisions interact with some of the requirements from the CMP Guidelines. The application of these provisions from the CAM NC and the CMP Guidelines has to take place in a compatible and consistent way

Current status

The concurrent implementation of the CMP Guidelines and the CAM NC was analysed in ACER's non-binding "CMP issues paper", published on ACER website in August 2013. In July 2014, the European Commission has issued a non-binding staff working paper, "Guidance on best practices for congestion management procedures in natural gas transmission networks.", with EC's understanding of how the provisions of the CMP Guidelines are to be applied in practice

Bundling of different firm capacity products

Brief description

The amount of capacity that can be bundled at each IP is sometimes limited due to the existence of asymmetric available capacity at both sides of the IP. In case of different firm capacity products at each side of the IP, rules to allow for effective bundling may be required

Examples of solutions adopted

- **PRISMA:** two approaches are possible: '**classic bundling**' (done "offline" by the TSOs) and '**cross bundling**' (done "online/automatically" by the platform)
- **GSA:** TSOs determine the bundled capacity product and submit it to GSA or each TSO submits capacity to be offered at the platform as a bundled product. If the capacities are different, the non-bundled capacity will be offered as unbundled
- **RBP: product bundling** approach: capacity products are bundled online on the RBP platform

Harmonisation of capacity contracts at both sides of the border

Brief description

The implementation of the CAM NC results in the harmonisation of a number of aspects of capacity contracts (duration, units, etc.). However, the CAM NC does not require standardisation of capacity products as such. The appropriate degree of harmonisation of capacity contracts remains an open issue and requires further analysis and monitoring at EU-level

Current status

An overview of the different stakeholders' opinions regarding the convenience or not of harmonising capacity contract terms can be found in the results from the public consultation on the preliminary scoping on potential Framework Guidelines on Rules for Trading. ENTSOG and ACER have identified the existence of differences in capacity contracts in EU Member States, on aspects such as levels of firmness and restrictions to allocability. It remains to be assessed whether they may represent a barrier to capacity trade and, should that be the case, how this could be tackled

Different currencies in use at each side of the border

Brief description

When TSOs allocate capacity at IPs where a different currency is used at each side of the border, operational challenges might arise. TSOs may adopt different approaches to tackle this

Examples of solutions adopted

- **RBP:** TSOs keep the reserve price in both currencies and execute the bids in percentages of the reserve prices
- **PRISMA:** when the platform started only the Danish TSO used a currency different from the euro used elsewhere. A currency conversion mechanism was not implemented by that time. However, due to the growth of the platform, PRISMA is currently working on a multi-currency handling tool which will be implemented by the end of 2014
- **GSA:** the currency should be agreed by both TSOs upfront. GSA allows using percentages of the reserve prices as well as the defined price steps

Licensing issues

Brief description

The different requirements in terms of licenses for the users to operate in different countries might create a potential obstacle when accessing bundled capacity at certain IPs

Current status and practices

- Hungary and some other CEE Member States: a license is required to trade gas at wholesale level. The criteria may differ from country to country. The need for a cross-border licensing is being addressed in discussion with NRAs
- South CAM Roadmap (FR, ES, PT): network users have to be registered in each system following the requirements applicable in each Member State in order to participate in auctions for bundled capacity

In the consultation for the scoping of a potential FG on Rules for Trading stakeholders requested the **mutual acceptance of licences** across the EU, so that a trader licensed in an EU Member State is accepted as trader in any other MS

Transition period from the current gas year to the CAM NC gas year (where it is different)

Brief description

According to the CAM NC, the gas year runs from 1 October to 30 September of the following year. In a few countries the gas year is still different from that (e.g. 1 July to 30 June). In such cases, the question arises on when that gas year has to be aligned with the provision from the CAM NC: 1 October 2015 or 1 October 2016.

Current status

The common view is that the first legally binding yearly auction is in March 2016. Products should be offered in this auction for the gas year Oct 2016 - Sep 2017 and onwards. To the extent that it is necessary to know what will be on offer at that auction, measures should be taken in advance of 1 October 2016 (and if the case may be, even before the implementation date of 1 November 2015) and communicated to the users. The earlier the alignment of the gas year takes place, the easier will be for network users to prepare for the yearly auction of March 2016.

Implementation of auction calendar

Brief description

There is the question of when exactly the TSO has to start auctioning capacity products in line with the CAM NC: from the annual yearly auction in March 2016 (following the sequence of yearly-quarterly-monthly-day-ahead products offered according to Article 8(3)) or already with the day-ahead auctions on 1 November 2015.

Current status

The auction calendar based on Article 28 of the CAM NC is applicable as of 1 November 2015. This implies that after this date only standard products could be offered and those shall be offered through auctions. Therefore, although Article 8(3) of the NC could seem to suggest that there is a logical order in offering capacity, starting from yearly to daily products, as of 1 November 2015 day-ahead and rolling monthly capacity products shall start to be offered via auctions.

Costs of booking platforms

Brief description

The establishment and use of 'joint web-based booking platforms', as required by the CAM NC, involves capital & operational expenditure by TSOs. How such costs are shared and whether (and how) they are recognised as 'efficiently incurred' by the relevant NRAs remains an open issue in some Member States.

Current status

In a number of Member States, TSOs have already joined a booking platform and NRAs have already recognised the costs involved. However, in other cases, TSOs have not yet decided whether to join an existing platform or set up their own, due to concerns about the costs, their split among TSOs and their recovery. In the case of PRISMA, a new cost allocation key will be implemented by January 2015 to address some of the concerns expressed by NRAs/TSOs.

Discussions on this matter will continue in order to ensure that TSOs can take part in one of the platforms currently existing (or still to be implemented) at a fair cost.

Activities of joint platforms and need for exchange of information

Brief description

TSOs should ensure that CAM implementation activities which take place via joint platforms are transparent to the market and NRAs, allowing appropriate exchange of information.

Current status

In PRISMA, a copy of the general terms and conditions (GT&Cs) between the platform and network users is available on PRISMA website for transparency purposes. These GT&Cs are periodically revised, whenever necessary due to changes in the services and functionalities offered or other developments. When such revisions take place, stakeholders and NRAs are involved and have the opportunity to provide comments and propose changes.

PRISMA GT&Cs have been recently revised and a new version is to be applied as of 1 October 2014.

Agreement on which platform to use when allocating capacity at an IP between two adjacent TSOs using different booking platforms

Brief description

The CAM NC sets out that TSOs shall offer capacity for the relevant standard capacity products on a booking platform (Article 19(2)). Capacity at each IP shall be offered at not more than one booking platform. Therefore, in case two adjacent TSOs use different platforms for allocating capacity they will have to agree on which platform to use for allocating capacity at their common IP(s). The CAM NC does not set out how it will be ensured that those TSOs agree on which platform to use in that case.

Current status

To date, it has not happened yet that two adjacent TSOs sharing an IP were using different platforms and had to agree on a single platform where allocating capacity at that IP. However, the situation may arise in view of the full implementation of the CAM NC by 1 November 2015. This matter has been raised and will be further discussed in order to find a suitable solution for possible cases in the future.

Regulatory oversight of booking platform activities

Brief description

Some NRAs are currently supervising the costs incurred by their respective TSOs in joining or setting up booking platforms, as well as reviewing the GT&Cs of booking platforms (e.g. PRISMA). However, the question remains of whether the activities of booking platform operators will need to be supervised and how. At present, supervisory functions are not foreseen either in the CAM NC or elsewhere.

Current status

NRAs have started analysing the need of putting in place a regulatory framework for supervising booking platform activities. The introduction of additional regulatory measures must be carefully evaluated. The final number of platforms deployed across the EU (one or more than one) may be a relevant aspect to determine the scope for such framework. Other aspects that may require further attention in future reviews are: procedures to ensure easy access to the platforms by NUs and NRAs; common approach to dealing with incidents that may lead to invalidate auctions; common principles and clear rules on auction transparency, etc.

Any question?

Views welcome!



Thank you for your attention

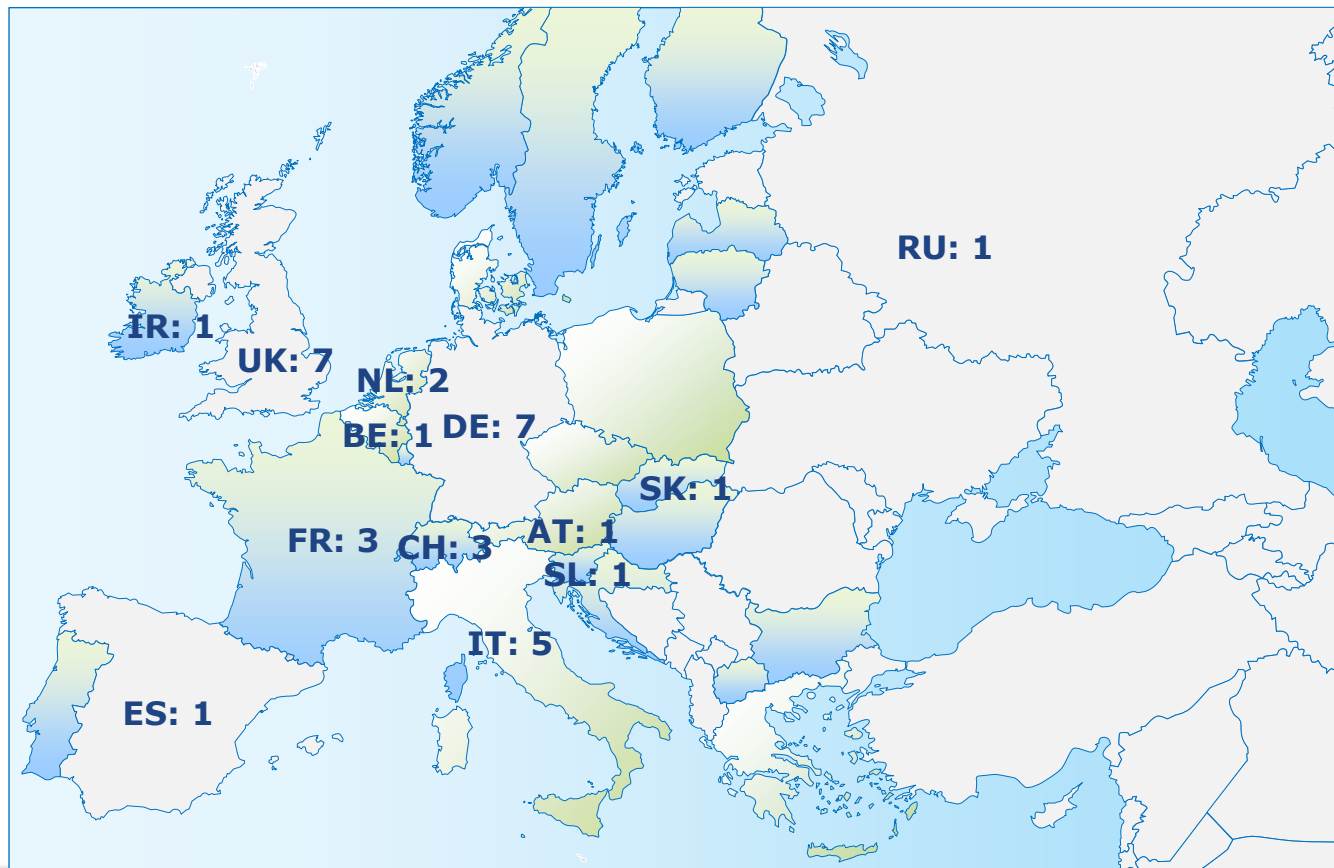
Booking Platform Report: market need consultation

Jan Vitovsky
ENTSOG Adviser

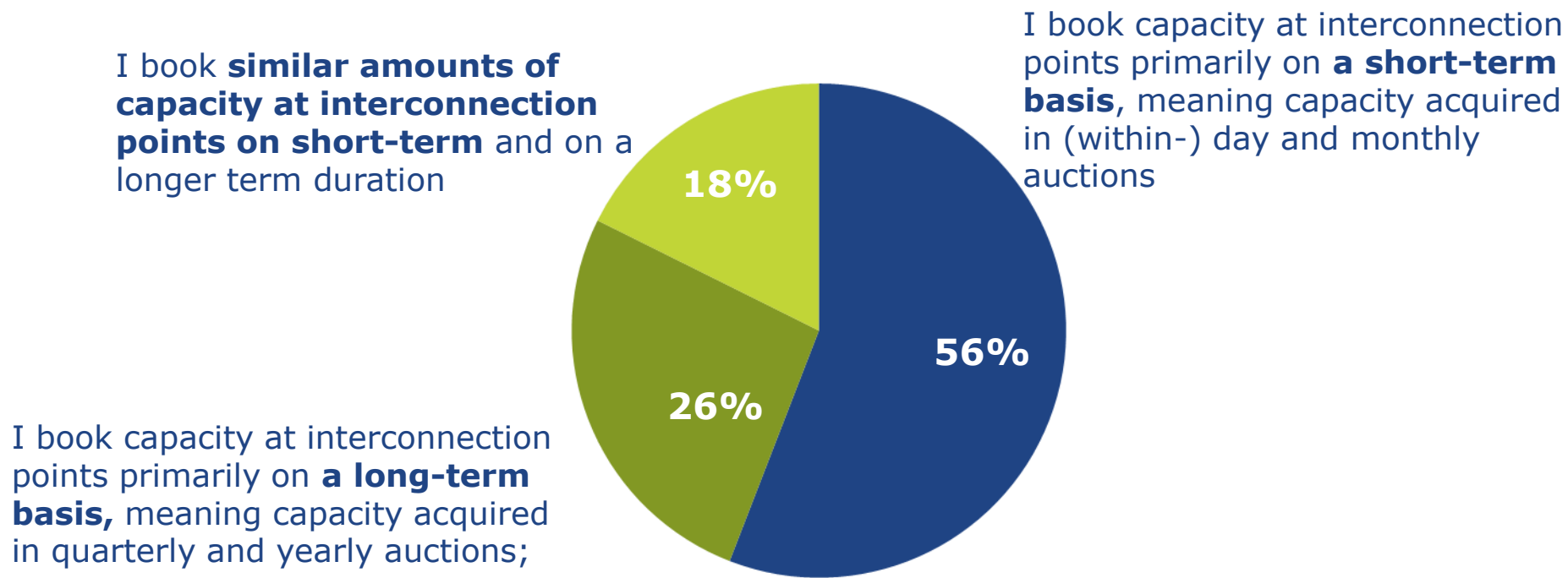
Brussels – 22 September 2014

Respondent base of market need consultation

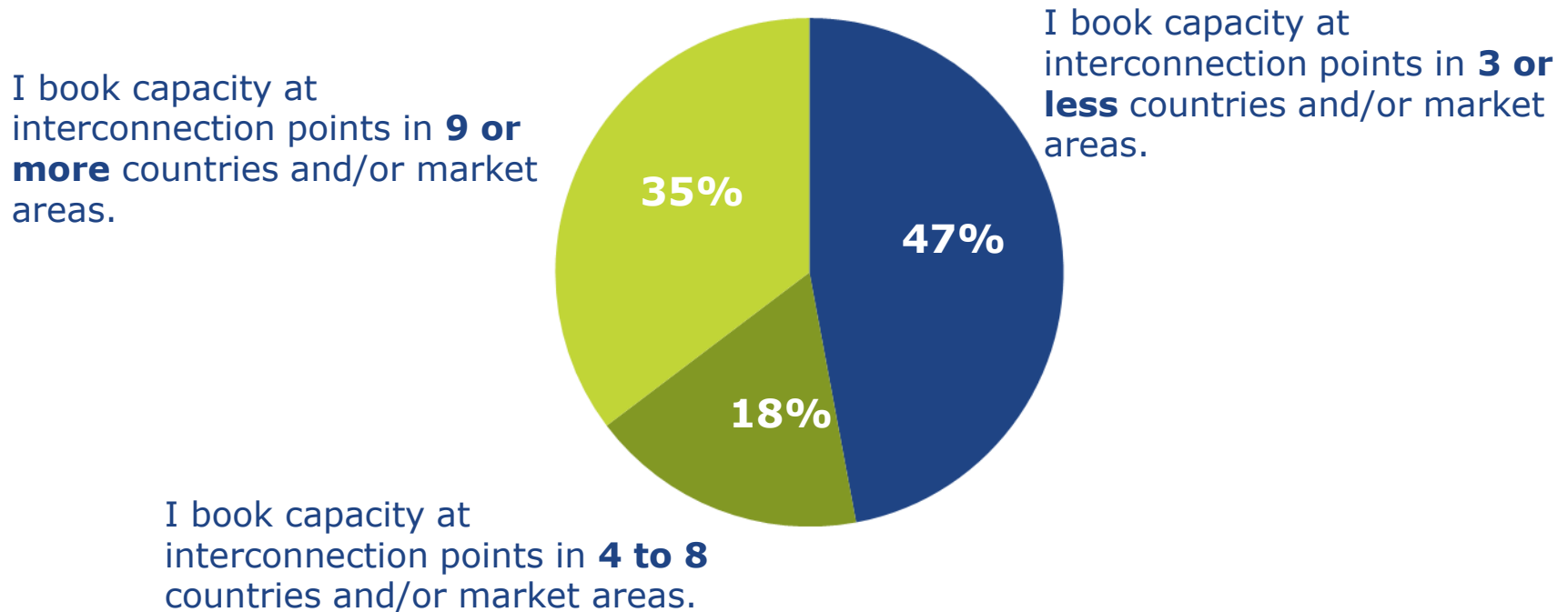
- Two pan-European associations
 - EFET, a group of more than 100 energy trading companies from 27 European countries
 - Eurogas, an association representing the European gas wholesale, retail and distribution sectors
- 34 individual network users



Respondents: by booking duration

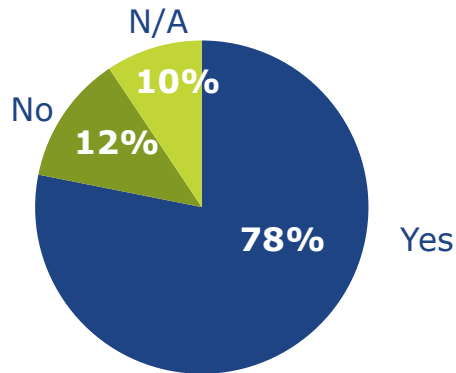


Respondents: by number of market areas traded



Question 4: response overview

Q4. Do you think that the implementation of booking platforms that enable the booking of bundled capacities, as per the requirements of the CAM NC, enable faster and more convenient booking procedure for network users?



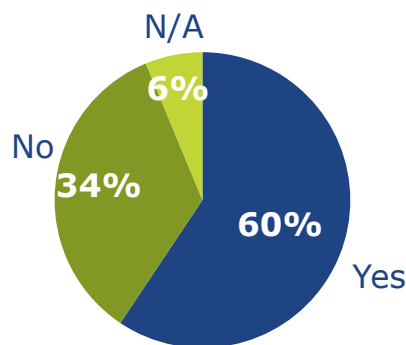
"Yes, the implementation of booking platforms that enable the booking capacity on both sides of an IP in line with the requirements of the CAM NC does facilitate capacity booking. The benefits have arisen from establishing a common process in which capacity contracts are sold at the same time in the same way at many IPs."

Common themes in responses:

- Bundling of capacity is an efficient method of booking capacity
- Bundling may lead to extra costs (sunk cost) which may occur for network users who have previously booked long term capacities on one side of the border
- Standardisation of the booking process is welcomed

Question 5: response overview

Q5. Do you think that with the usage of booking platforms you have faster access to the relevant commodity markets (gas/hubs)?



"A common booking platform is definitely useful and appreciated by us as a shipper. It simplifies the booking process as well as the access into the market areas."

"Booking platforms can in principal facilitate faster access to the relevant commodity markets if they, provide easily accessible and comprehensive information about the transport costs and the available capacity in one overview."

Common themes in responses:

- Late timing of day-ahead auction is not in line with commodity markets
- Advantage of a booking platform is that you have easier access to all registered TSOs with a standardised process of booking
- With a joint booking platform, only one account with access tools is required instead of several different systems with different user interfaces and access systems.

Question 6: response overview

Q6: Which aspects of booking platforms do you consider as fundamental?

"Reliability in terms of information provide. ..."

"General Terms & Conditions as well as transparency are essential fundamentals. ..."

"Reliability in terms of information provided and in terms of IT security, with a back-up solution in case of IT failure or other technical problem. ..."

"GT&C, technical stability & availability, fast support and problem solving abilities in case of urgent requests. ..."

Common themes in responses:

- User friendliness
- Reliability of IT and information provided
- Good technical support and hotline
- Transparency of results
- GTs&Cs
- Conversion tool for booking unit

Question 7: response overview

Q7. What elements regarding usability are most important to you?

"A simple and clear user interface is important. Also a clear visibility of what is offered product-wise should be provided. ..."

"Intuitive handling during the whole booking and auctioning processes ..."

"Visibility on past bookings and on bookings closed during ongoing auctions, visibility of all future auction sessions, even when available capacity level are not yet set. ..."

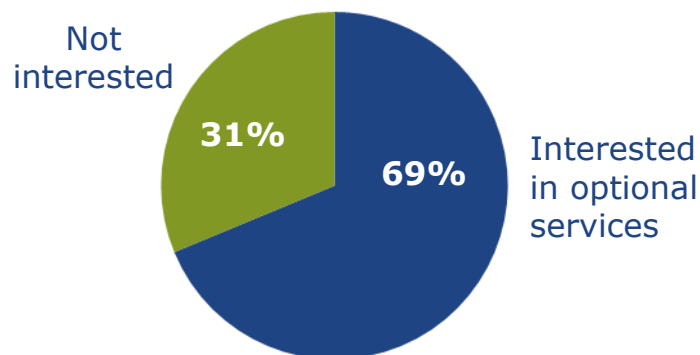
"The platform should be easy to access with short response times. ..."

Common themes in responses:

- Filtering, search tool
- Customized booking template
- Standardised input masks for all bookings
- Quickness of the platform
- Visibility of all future auction sessions
- Overview of own capacity portfolio (in the past and in future)
- User friendliness – simplicity of the booking process
- Helpdesk 24/7

Question 8: response overview

Q8. Which additional and/or optional services are you interested in procuring from a joint booking platform?



"We think that an extended possibility for reports is very useful as well as a tariff calculator. ..."

"It would be useful to integrate the booking platform with additional information, such as the current situation of the booked/available capacity on each IP. ..."

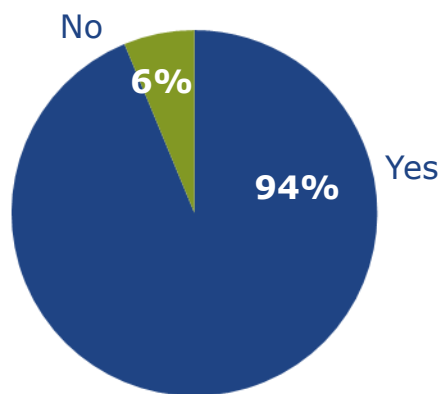
"automated interfaces ..."

Common themes in responses:

- Tools for data extraction, with basic charts and analysis and daily reports of capacity held, that can be sorted by point, TSO, duration, etc.
- Automated interfaces for all capacity products
- Tariff calculator
- Standardised booking confirmation, with all relevant data for example an xml-file.
- Integration of the booking capacity platform with the TSO systems resulting in an automatic send of auction results and the automatic creation of the contract
- Need for and definition of these and other services should be established and agreed by the platform users' group so that there is a clear instruction to the platform developer on how to proceed.

Question 9: response overview

Q9: Do you think that both primary and the secondary capacity markets should be on the same booking platform?



"Yes, this is better to have these two markets together. It makes easier the work of network users and make the capacity market more transparent."

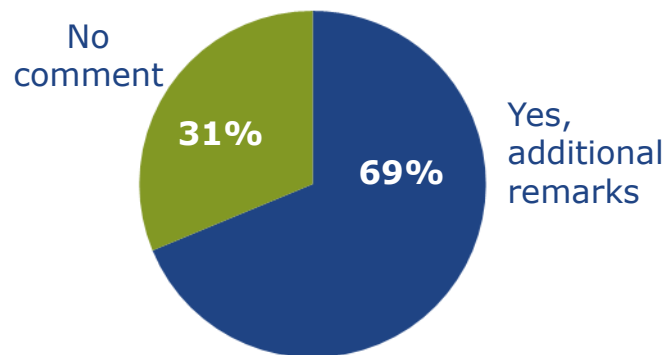
"One booking platform for primary and secondary capacity markets would be helpful for a better transparency, usage of the platform, standardized formats, processes and registration."

Common themes in responses:

- Secondary trading should remain possible both via bilateral trades and on centralised booking platforms
- A single registration process should be applicable
- Separate sections should be clearly demarcated

Question 10: response overview

Q10: Are there other remarks you would like to note with respect to joint booking platforms?



Common themes in responses:

- Implementation of a single joint booking platform for the entire EU area
- Harmonisation of the terms and conditions of capacity contracts, especially in the context of capacity bundling under the CAM NC
- Harmonisation of terms and conditions regarding secondary markets
- Facilitation of secondary capacity trading (e.g. offers placed on the platform should be better advertised)
- Registration at the corporate level with fast and un-bureaucratic appointment and change of individual users
- Use of standard messages (e.g., Edigas) in the booking process to prevent network users from having to develop an interface for each auction websites

Thank you for your attention.

Participants

<i>Last name</i>	<i>First name</i>	<i>Company</i>
Adjuward	Amroze	EDF
Alizo Mirabal	Antonio	Gas Natural Comercializadora, S.A.
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Barnes	Alex	Gazprom Marketing & Trading Limited
Barrera García	Ana	CNMC (Spain)
Bonnici	Daniel	GRTgaz
Bouwens	Kees	ExxonMobil Gas & Power Marketing
Brzęczkowski	Stanisław	GAZ-SYSTEM
Buligina	Laila	Statoil
de Miguel	Juan	ACER
Diniz	Valter	REN
Gerus	Victoria	ENTSOG
Golanka	Karolina	Energy Regulatory Office (Poland)
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Marzecki	Adam	GAZ-SYSTEM
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Popova	Maria	EFET
Rubini	Davide	Statoil
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<i>Last name</i>	<i>First name</i>	<i>Company</i>
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Weidenbach	Anne	BNetzA (Germany)
Weikens	Mark	ENTSOG