BUSINESS RULES VI

CAM Related Topics: VIPs, Bundled Capacity Products and Payable Price

VIRTUAL INTERCONNECTION POINTS

1. General

1.1 This chapter applies to all entry and exit points under the scope of the Network Code on CAM.

1.2 According to the Network Code CAM, where two or more entry or exit points connect the same two adjacent entry-exit systems, the TSOs shall offer the available capacity at one virtual interconnection point provided that certain conditions set out in Article 19 thereof are met.

2. Combination Mechanism

2.1 The reserve price at each side of the VIP shall be based on the combination of the reserve prices of the interconnection points contributing to the VIP.

2.2 Where the bundled capacity is contracted, the VIP tariff for the bundled capacity shall be the sum of the corresponding VIP tariffs at each side of this VIP.

2.3 Where the capacity is contracted at one side of the border, the VIP tariff for the unbundled capacity shall be the VIP tariff at one side of the VIP.

2.4 There are two ways to calculate the VIP tariff at one side of the border:

2.4.1 The pricing methodology for VIPs shall be aligned with the chosen cost allocation methodology of the TSO, where possible. The cost allocation methodology of the TSO shall take account of the fact that the previous multiple IPs were ‘merged into’ one VIP and hence, the revenue that would be previously divided between those multiple IPs, will now be attributed only to this one VIP.

2.4.2 Where it is not possible to incorporate the VIP into the applied cost allocation methodology, the separate tariffs for the physical IPs shall be calculated. The VIP tariff could be calculated using a simple average or a weighted average of the previously calculated separate tariffs.

3. Multiple TSOs at either/each side of the border

3.1 Where there are multiple TSOs at either or each side of the border, an additional calculation for the VIP tariff at one side of the border shall become necessary.

BUNDLED CAPACITY PRODUCTS

1. General

1.1. This chapter applies to all entry and exit points under the scope of the Network Code on CAM.

2. Reserve Prices for Bundled Capacity products

2.1. For bundled capacity products, the sum of the reserve prices for capacity at each side of the interconnection point is used as the bundled reserve price. The reserve price of the capacities at each side shall be visible during and after the auction at the booking platform.

2.2. The part of the revenue from the reserve price of bundled capacity products for each TSO corresponds to the reserve prices of their capacities in the total bundled capacity.

2.3. The revenues from the auction premium from bundled capacity above the reserve price shall be split between the relevant TSOs on the basis of: (1) an agreement between the respective NRAs; or (2) a decision of the relevant NRA. NRAs shall immediately inform ACER of the outcome of such an agreement. If no such agreement is concluded ahead of the auction, any revenues from the auction premium shall be split equally between the relevant TSOs.

PAYABLE PRICE

1. General

1.1. This chapter applies to all entry and exit points under the scope of the Network Code on CAM.

2. Payable Price

2.1. The payable price shall consist of the reserve price and the auction premium, if any.

2.2. The payable price determined in a capacity auction may be either a fixed capacity price and/or a floating capacity price.

2.3. Where floating capacity price is used, the payable price shall consist of the applicable reference price at the time when the capacity can be used plus the auction premium, if any.

2.4. A fixed capacity price can be used in order to accommodate different shipper preferences and provide a more stable revenue stream for some TSOs. Where fixed price is used, the payable price shall consist of the applicable reference price at the time of the auction plus the auction premium, if any.