

## ***CNOT Scoping Document and Project Plan: CMPs and rest of CAM NC***

### **PART I: SCOPING DOCUMENT**

#### **CMP Guidelines**

##### Oversubscription and buy-back

A high-level description of the regulatory obligation is:

- Implementation date: 1 October 2013;
- TSO-proposed, incentive-based oversubscription scheme(s) to offer additional capacity on a firm basis;
- Revenues and cost related to scheme to be shared between TSO and network users;
- Additional capacity to be offered by TSO in regular allocation processes, i.e., on the primary market via auctions;
- Buy-back procedure should be market-based;
- Exemption where firm day-ahead use-it-or-use-it (FDA UIOLI) [see below] applies, if approved by the national regulatory authority (NRA).

##### Surrender of capacity (SoC)

A high-level description of the regulatory obligation is:

- Implementation date: 1 October 2013;
- TSO to accept any surrender of firm contracted/booked capacity, with the exception of daily and within-day capacity products;
- Network user (NU) that surrenders capacity TSO cannot simultaneously offer the capacity on the secondary market;
- Capacity surrendered to be offered by TSO on primary market;
- Surrendered capacity to be reallocated only after all the TSO's own available capacity has been allocated;
- If (part of or all) surrendered capacity is reallocated/re-sold, NU is relieved from its payment obligation<sup>1</sup>; if not reallocated, NU retains rights and obligations of unsold capacity.

##### Long-term Use-it-or-lose-it (LT UIOLI)

A high-level description of the regulatory obligation is:

- Implementation date: 1 October 2013;
- TSO, when requested by NRA, must partially or fully withdraw contracted capacity where capacity 'systematically underutilised' (based on one of two defined tests)
- Application of FDA UIOLI does not prevent LT UIOLI

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<sup>1</sup> In some systems, if the reallocation price is lower than the initial price, the NU initially holding of the capacity will maintain its payment obligation for the difference between both prices.

- Withdrawn capacity to be offered by TSO on primary market. If not reallocated, network user retains rights and obligations.
- TSO to provide data for NRA to monitor utilisation

#### Firm-day ahead use-it-or-lose-it (FDA UIOLI)

A high-level description of the regulatory obligation is:

- Implementation date: 1 July 2016;
- TSOs to restrict re-nomination rights of firm capacity where
  - demand exceeds offer for defined set of capacity products
  - network user holds > 10% of technical capacity
- NRAs have discretion to apply a FDA UIOLI scheme where above congestion criteria are not met or before 2016;
- Additional capacity to be offered by TSO on primary market. If not reallocated, network user retains rights and obligations.

## **'rest'<sup>2</sup> of CAM NC**

#### Capacity rights transfer for secondary market

A high-level description of the regulatory obligation is:

- Implementation date: 1 November 2015 (application date of CAM NC/Regulation 984/2013);
- Rights and obligations associated with capacity are fully transferred to NU with the closure of an auction, or CAM process;
- Article 27, No. 2 of Regulation 984/2013 gives TSO the obligation to provide functionalities for network users to offer and obtain secondary capacity (via a secondary market platform (SP));
- According to Article 19, No. 8 of Regulation 984/2013, the obligation to offer bundled capacities does also apply to the secondary market. Capacity that has originally been allocated as bundled capacity can only be resold as bundled capacity on the secondary market.

#### Credit limit management

A high-level description of the process:

- Implementation date: 1 November 2015 (application date of CAM NC/Regulation 984/2013);
- TSOs are obliged to allow all network users registered with the relevant TSOs and the auction office to participate in CAM processes, or auctions, on a non-discriminatory basis;
- In some national regimes, the above obligation can be made conditional upon a credit limit established by the relevant TSO, subject to national legislation and regulatory oversight

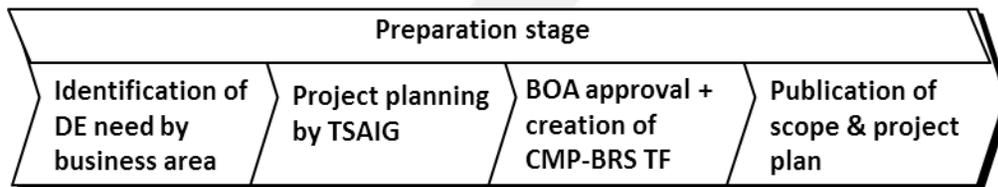
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<sup>2</sup> Processes for the allocation of primary capacity that are referred are covered in a CNOT pilot project, the scope of which will be extended.

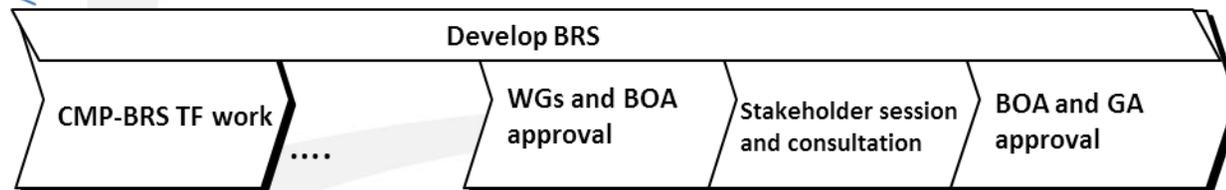
## **PART II Indicative Timing:**

- ***Oct 2013 – Feb 2014: Prepare TF activities***
  - Scope definition
  - Develop project plan
  - Create BRS TF with members of both business areas
  - Publish scope and project plan on ENTSOG website for the benefit of stakeholders
- ***Mar – Sep 2014: Development of BRS***
  - Detailed definition of the business rules
  - Approval of the BRS
  - Stakeholder involvement during workshop and BRS finalisation
- ***Oct 2014 – Feb 2015: Development of MIG and publication of CNOT***
  - Development of the necessary messages and supporting documents
  - Approval of the MIG
  - Stakeholder involvement during workshop and MIG finalisation
  - Validation and publication of BRS and MIG (together forming the CNOT for the CAM/CMP business process)

*Oct 2013 - Feb 2014*



*Mar – Sep 2014*



*Oct 2014 - Feb 2015*

