

# Monitoring of Regulation 984/2013 (CAM NC), Article 6

2014

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# Report on Implementation Monitoring of Regulation 984/2013 (CAM NC), Article 6

FEBRUARY 2015

## PARTICIPANTS OF THE SURVEY

AUSTRIA	Gas Connect Austria GmbH
	TAG GmbH
BELGIUM	Fluxys Belgium S.A.
BULGARIA	Bulgartransgaz EAD
CROATIA	Plinacro d.o.o.
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FRANCE	GRTgaz
	TIGF SA
GERMANY	Bayernets GmbH
	Fluxys TENP GmbH
	GASCADE Gastransport GmbH
	Gasunie Deutschland Transport Services GmbH
	Gasunie Ostseebindungsleitung GmbH
	GRTgaz Deutschland GmbH
	GTG Nord GmbH
	JordgasTransport GmbH
	NEL Gastransport GmbH
	Nowega GmbH
	Ontras Gastransport GmbH
	Open Grid Europe GmbH
	terranel bw GmbH
	Thyssengas GmbH

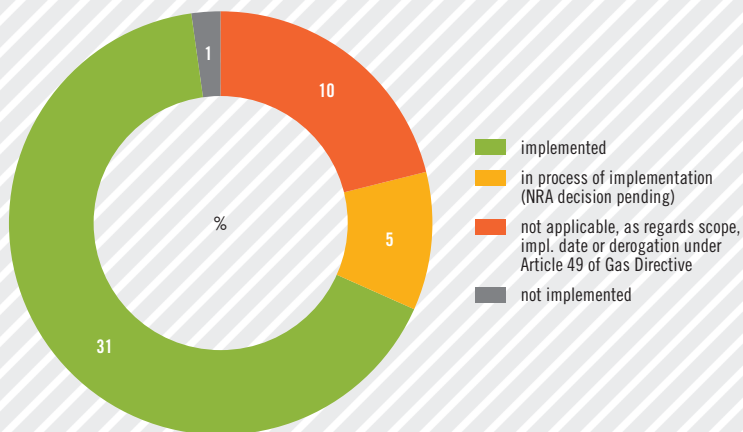
GREECE	DESFA S.A.
HUNGARY	FGSZ
IRELAND	Gaslink Limited
ITALY	Snam Rete Gas S.p.A.
	Infrastrutture Trasporto Gas S.p.A.
LATVIA	Latvijas Gaze
LITHUANIA	AB Amber Grid
LUXEMBOURG	CREOS Luxembourg S.A.
NETHERLANDS	BBL Company V.O.F.
	Gasunie Transport Services B.V.
POLAND	GAZ-SYSTEM S.A.
PORTUGAL	REN Gasodutos S.A.
ROMANIA	Transgaz S.A.
SLOVAKIA	Eustream a.s.
SLOVENIA	Plinovodi d.o.o.
SPAIN	Reganosa S.A.
	Enagas S.A.
SWEDEN	Swedegas AB
UNITED KINGDOM	Interconnector Limited
	National Grid Gas plc
	Premier Transmission Limited
	BGE (UK) Limited

## OVERVIEW OF IMPLEMENTATION STATUS BY EU COUNTRY

Country	Method for Maximising Technical Capacity developed	In-depth analysis of technical capacities on both sides of an IP applied	Frequency for dynamic recalculation of technical capacity set	Assessment of Parameters Defined in Art. 6, 1 (b) CAM NC made	Comment
AUSTRIA					
BELGIUM					
BULGARIA					Implementation underway
CROATIA					Implementation underway
CZECH REPUBLIC					
DENMARK					
ESTONIA					
FINLAND					
FRANCE					
GERMANY					2 TSOs have no IPs with 2 entry-exit zones within the EU, thus Art. 6 not applicable
GREECE					Method application in process
HUNGARY					Joint method application in process
IRELAND					
ITALY					1 TSO has no IPs with 2 entry-exit zones within the EU, thus Art. 6 not applicable
LATVIA					
LITHUANIA					
LUXEMBURG					
NETHERLANDS					
POLAND					
PORTUGAL					
ROMANIA					Method under development
SLOVAKIA					
SLOVENIA					Method developed, but capacity bundling not yet foreseen in national regulation
SPAIN					1 TSO has no IPs with 2 entry-exit zones within the EU, thus Art. 6 not applicable
SWEDEN					
UNITED KINGDOM					

■ Has been implemented
 ■ Implementation is underway
 ■ Not yet implemented
 ■ Not applicable due to scope, implementation date or derogation granted under Article 49 of Gas Directive





The survey conducted by ENTSOG on the implementation of Article 6 indicates that 31 of 47 EU TSOs (44 ENTSOG members and three associated partners) have applied the stipulated measures for maximising of technical capacity. Furthermore, six TSOs are currently implementing or at least in the process of defining the joint mechanism to be applied. For ten TSOs, the requirements of Article 6 are not applicable since their Member States have been granted derogation under Article 49 of the Gas Directive.

The diagram shows that 84 % of TSOs (31 of 37), whose member states have not been granted derogation under Article 49 of Gas Directive, have already used methods arising from Article 6 Reg. 984/2013 and that more than 13% (5 of 37) are in the implementation process.



## CONCLUSIONS ON IMPLEMENTATION OF MEASURES ACCORDING TO ARTICLE 6 OF CAM NC

### A) Method for Maximizing Technical Capacity

31 European Transmission System Operators (TSOs) have complied with the requirements defined in Article 6 Reg. 984/2013, which means that they have developed and applied a joint method with their neighbouring TSOs at interconnection points (IPs).

There are only a few IPs where a suitable joint method is still under discussion between TSOs.

Six TSOs are currently working on the application of Article 6 Reg. 984/2013.

Five of these six have already developed a methodology. Four of them are currently in discussion with (nearly) all adjacent TSOs at their IPs in order to agree on the methodology and/or its application. One of the five TSOs is limited to preparing a joint approach to increase capacities, as bundling of capacities at cross-border points will presumably not be applied before 1 November 2015 because bundling is not provided in its current national regulation.

One TSO is currently elaborating on how to approach the requested joint method to increase the bundled capacity at IPs.

Those TSOs who are applying a method in order to maximize technical capacity are using a comparable approach. A joint analysis of the technical capacities on both sides of an IP, including the occurrence of discrepancies at that IP, is being carried out on a regular basis. Usually this analysis accounts for the assumptions made in the TYNDP with respect to Article 8 of Reg. 715/2009, national investment plans, local legal requirements, and relevant contractual obligations.

Based on the result of this joint analysis, TSOs are developing individual IP measures in order to minimise potential discrepancies between technical capacities and to increase their own capacities with the aim of expanding the total bundled capacity.

TSOs are hereby focussing particularly on IPs where capacity congestions can potentially occur.

Most TSOs are utilising a multiple-step procedure to maximise technical capacity. The following methodology describes the approach mentioned above.

#### First step: Analysis

First the available capacity is analysed and this includes regular exchange of relevant commercial and operational data and a subsequent detailed comparison between relevant TSOs with respect to technical capacity and the capacity available for each TSO. For the most part, this analysis is conducted for the upcoming gas year and – if relevant – for subsequent gas years.

In this analysis, each TSO calculates both the entry and exit capacity at its side of an IP. Any differences that occur between capacities are noted and quantified. Moreover, the possible reasons for the differences are identified and recorded. Here, all assumptions set out in Article 6 Reg. 984/2013 are taken into consideration. Furthermore, the relevant parameters for capacity calculation are assessed by TSOs at both sides of an IP during the analysis.

The analysis makes it possible to identify the respective maximum technical capacity figures for the upcoming gas year(s) across the relevant time horizon and this establishes the basis for the bundling potential and agreements on possible alignments.

#### Second step: Measures

The results of the analysis makes it possible to define which actions are defined regarding the technical and available capacities.

Here, all potential steps and actions for increasing the technical capacity at one or both sides of an IP are elaborated. This action plan accounts for the possible implementation timetable and the costs associated with the proposed action. It also looks at how these costs can be recovered through regulatory regimes, assesses cost-benefit ratios and considers the potential impacts at other points in one or both transmission systems.

#### Third step: Capacity offer

Finally, after reviewing the sold and available capacities, the identified actions are executed.

Thus, TSOs each submit their available capacity at an IP for auction on the used booking platform. The bundled capacities to be offered are calculated according to the 'lesser of rule' when comparing the maximum capacity that can be transported at each side of the IP.



### **B) In-depth analysis of technical capacities on both sides of an IP**

To develop a method of maximizing bundled capacity an in-depth analysis of the technical capacities is carried out by the TSOs. As mentioned above, this includes identifying the discrepancies on both sides of an IP. During this step, most TSOs jointly agree on the specific actions to be taken and set an appropriate timetable.

### **C) Frequency for capacity recalculation**

A frequency for recalculating technical capacities tend to differ between TSOs.

Due to the varying steps and efforts required for this, almost all TSOs recalculate their technical capacities on a yearly basis, especially prior to the annual auction.

Over half of all TSOs have stated that they require a more frequent approach for determining technical capacities in case the market requires additional capacities. Depending on the agreements between different TSOs, this can lead to a regular exchange of technical and booked capacities or even to daily calculations of capacity.

### **D) Assessment of Parameters as Defined in Art. 6, 1(b)**

The majority of TSOs assess and/or adjust certain parameters as described in Article 6, 1(b) Reg. 984/2013 in order to increase their technical capacity. The parameters that are taken into consideration vary and depend largely on the current conditions at an IP.

The reason why some TSOs do not currently assess or adjust these parameters is because they have done so extensively in the past or because any adjustments they make will not lead to an increase in technical capacity.



# Abbreviations

<b>ACER</b>	Agency for the Cooperation of Energy Regulators
<b>CAM NC</b>	Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems
<b>EC</b>	European Commission
<b>ENTSOG</b>	European Network of Transmission System Operators for Gas
<b>EU</b>	European Union
<b>IP</b>	Interconnection Point
<b>NRA</b>	National Regulatory Authority
<b>TSO</b>	Transmission System Operator
<b>TYNDP</b>	Ten-Year Network Development Plan

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