

Response Sheet for Stakeholder Engagement Document: Potential Modifications to the CAM NC Following Receipt of ACER Opinion

Please complete the fields below and send via email using the subject title, “Response to the CAM NC stakeholder engagement document” to info@entsog.eu by 10 August 2012.¹

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¹ If you would like any part of your response to be treated as confidential, **please mark these sections clearly and explain why it is not possible for the information to be made public**. Notwithstanding any confidentiality undertaking upon request, ENTSOG indicates that this cannot prevent ENTSOG from disclosing all or part of the response that would be requested by a competent authority or judicial body.

How would you describe your organisation?

<input type="checkbox"/>	Association (please specify type)
<input type="checkbox"/>	End user
<input checked="" type="checkbox"/>	Network user
<input type="checkbox"/>	Trader
<input type="checkbox"/>	Other (please specify)

In the questions below, ENTSOG would be grateful if respondents could clearly indicate their view and provide a brief justification.

Question 1

A number of changes to the CAM NC submitted to ACER in March 2012 are proposed in sections C.1 – C.11 above. Please indicate whether you support these changes. If you do not support some changes, please indicate which changes you do not support, and why.

Virtual interconnection points. Statoil agrees with the suggested amendment.

Additional capacity. Statoil agrees with the suggested amendment.

Capacity contract. Statoil agrees with the suggested amendment.

Standard capacity products. Notwithstanding that new capacity is deemed exempt from NC rules on allocation; it remains the need to move towards a system of integrated incremental capacity auctions, as well as the need to maintain the option to book long-term quarterly capacity.

Bundling. Many existing supply contracts specify that the delivery point for the gas is a specific interconnection point. Bundling capacity would increase the regulatory and legal burden for network users if they were no longer able to only deliver the gas at the flange as they would have to register with two TSOs. Should obligatory bundling be agreed upon, Statoil would maintain its preference for the partially unbundled default rule. Also, in case of unsold unbundled capacity this should be made available at a pre-defined and limited time to be aligned with investment lead times.

Capacity breakdown. Introducing unnecessary quota may create artificial scarcity and drive prices up. However, Statoil maintains the view that making quarterly products available would have a number of advantages: they would give users the option to profile their capacity according to seasonal demand, they could be combined to form an annual product where required, they would help smaller and/or new players where they have been unable to secure capacity in the longer-term auction but are not in a position to take the risk of waiting until month-ahead.

TSO cooperation. Statoil recognises the importance of clarifying the areas of cooperation on information exchange between adjacent TSOs but acknowledges that this issue may be addressed within the framework of the Interoperability and data exchange network code. Hence, we deemed the proposed change unnecessary.

Amendments of existing capacity contracts. Statoil believes that TSOs and Regulators will find an appropriate solution which would not put shippers at disadvantage.

Interruptible capacity. In general Statoil believes that there should be some level of harmonisation of lead times among adjacent TSOs with a view to giving as much lead time as possible in case of an interruption. The compromise offered is an improvement compared to previously proposed text.

Tariffs. As in the case of TSOs cooperation Statoil believes that this aspect should be left to the relevant network code and, should a reference be necessary, this should only be of very general nature not to pre-empt future discussions.

Incentive regimes. Statoil agrees with the suggested amendment.

Interim period. Statoil believe that a clear reference for the interim period should be defined, possibly within the framework of workshops with stakeholders rather than as part of the comitology procedure to ensure full transparency.

Question 2

Do you support the proposed changes to the day ahead auction timing set out in section D.1? If not, why not?

Proposal:

Day ahead auctions. Statoil remains of the general idea that the value of day-ahead auctions is degraded if left until late in the day. There should be either one in the morning and one in the afternoon or just one in the morning. However, we regard the proposed solution as a positive development.

Question 3

Do you support the proposed changes to the within-day auction timing set out in section D.2? If not, why not? In particular, do you believe that a 30 minute bidding window and 60 minute nomination window are sufficient for a within-day process?

We support the proposed changes.

Question 4

Do you support the proposed changes to the drafting on default interruption lead times set out in section D.3? If not, why not?

We support the proposed changes.

Question 5

Do you support the proposed changes to article 4.1(2) of the CAM NC, in relation to competing capacities? If not, why not?

Statoil appreciated the features of the theoretical case and we believe that the principle of simultaneous and independent auctions should be maintained at this stage failing proper

justification and specification.

