

## 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](mailto:info@entsog.eu) by 10 August 2012.<sup>1</sup>

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<sup>1</sup> 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, ENTSG indicates that this cannot prevent ENTSG from disclosing all or part of the response that would be requested by a competent authority or judicial body.

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How would you describe your organisation?

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

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.

Considering the changes proposed by ENTSOG regarding observations of ACER on March network code **we agree on some points (C1, C3, C9, C10, C11).**

**But we strongly disagree with ACER's opinion on points C2 and C6.** As suggested in ENTSOG document we think that stakeholders positions on points C2 and C6 has already been largely released. GDF SUEZ is strongly opposed to compulsory bundled capacity and therefore to all consequences. So we think it is a wrong idea to extend mandatory of bundled capacity – points C2 and C6

- to new capacity
- to “mismatched” capacity

The position of GDF SUEZ on mandatory bundled capacity is that :

- the bundled products should be optional, both for existing and new contracts, i.e. not mandatory
- and so, the sunset clause and the default rule should not be implemented.

Because :

- It is an non proportionate measure that imposes an excessive burden (renegotiation of capacity and commodity contracts) in relation to the “objective” (to increase market's liquidity)
- Shippers will be forced to pay for unwanted capacity.
- The value of unbundled capacity in a mandatory bundled world seems to be zero.

**Considering point C5** we rather agree with ENTSOG position and we think that no changes should be implemented in the CAM Network code regarding capacity breakdown. Capacity breakdown, quotas and length of products have been discussed at various time during the drafting process of the network code. GDF SUEZ can state again its position on these topics. We do not believe that a “medium term” auction in addition to the minimum 10% for short term release and the long term

auction, will actually bring a benefit to the market. Indeed, it is already possible to buy capacity for this timeline during the long term auction. Splitting the capacity in two types of auction will not solve a congestion problem, but rather increase it. Regarding additional auctions for quarterly products, GDF SUEZ is against this solution since it will imply the implementation of seasonal reserve prices (in order to avoid cross-subsidies of shippers without storage by shippers booking summer capacities to fill their storage). This seasonal factor will be very difficult to set (e.g. depending of forecasts of booking strategy of all the shippers, ...).

**Considering point C4**, we agree with the insertion proposed by ENTSG and remind that some consistency must be made with interoperability network code which will also deal with these issues.

**Considering point C8**, we may not agree with the drafting. GDF SUEZ would like to stick to the initial drafting about the default minimum interruption lead time that shall stay two hours (next hour bar + 2 hours). On the other side, we agree to add a NRA approval to any reduction of the lead time for interruptions but only if there is a similar reduction of the renomination lead time (see answer to question 4). But, we may have misunderstood the measure. If the purpose of the change is to get the interruption information in advance of the renomination cycle, we agree to this modification.

**Could Entsog explain what is meant by “minimum 45 min needed for processing and messaging after closure of re-nominations, in order to give useful information in interruption notice”?**

**All these delays must of course be in line with those mentioned in REMIT.**

## Question 2

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

**Yes.** Furthermore, **to the extent the following proposal is easily feasible for the transmission operators, all the deadlines could be advanced by half an hour to be able to benefit from the remaining gas market liquidity.** Indeed, it is more interesting for a shipper to get the capacity at 17.00 instead of 17.30. as proposed since it will allow earlier participation in day-ahead commodity markets.

## 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?

**Yes.** but the process will be heavy to repeat each hour. **GDF SUEZ, for sake of simplicity and only for within-day products, is in favour of a First Come First Serve allocation process** (i.e. when you nominate over your booked capacity, it shows your willingness to buy additional capacity if available).

**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 may have not understood the purpose or the reasons of the proposed changes. **Nevertheless, as a general principle, we would like the interruption lead time to be the same as the renomination lead time.** Indeed, since the renomination lead time is two hours, the interruption lead time should be the same to enable the shipper to cope with a change of supply route without having a supply disruption (*If EntsoG proposal is to have the interruption information in advance, we agree, but if the change will allow a TSO to interrupt capacity with a shorter notice than the renomination cycle, a shipper will not be able to balance the interruption without a delay*). As demanded in the last paragraph of our answer to question 1 could you give us some more explanations about the proposed measure?

**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?

**We support this proposal.**