

Responses to CAM Network Code – stakeholder support process

Consultation Response Sheet

Please complete the fields below and send via email using the subject title, “Response to the CAM NC consultation” to info@entsog.eu by 13 February 2012.

Name

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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 checked="" type="checkbox"/>	Trader	
<input type="checkbox"/>	Other	(please specify)

Question 1: Do you consider that the network code development process carried out by ENTSOG was appropriate, given the boundaries of the framework guideline? In particular, was the level of stakeholder engagement appropriate? If there is room for improvement, please inform us about possible suggestions for improvement.

Yes X	No
<p>Comments:</p> <p>The NC development process undertaken by ENTSOG showed that it is possible to integrate a whole range of stakeholders views in achieving a complex aim: developing pan-European binding rules. The proactive approach ENTSOG took should be seen as an example for TSOs on a national level to implement transparent and open ways to develop framework rules in such a way. All relevant documents were publicly available, the status of the process was always clear, ENTSOG was open to contact and input at any time, workshops could be followed by livestreams and the documentation of workshops was transparent. Every stakeholder could participate at any time and ENTSOG listened to majority as well as minority opinions.</p>	

Question 2: Following the EC request to shift the day-ahead auction to the afternoon D-1, please indicate whether a day-ahead auction held from 16.30-18.00 local time in central Europe can be supported (see section 4.7 of the CAM NC).

Yes	No X
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If no, please give brief reasons and state how to consider this issue:

We do not support the proposed new timing for the day ahead auction. In order to maximise opportunities for short hub to hub trading market participants need to be able to secure capacity whilst the commodity market is still liquid, which the proposed new timing does not allow for. Realistically the whole process has to be finalized approximately two hours earlier but as a minimum we would recommend shortening the auction bidding window by one hour, as 30 minutes should be sufficient for such a process.

Question 3: Please complete the table below, indicating whether you support the relevant sections of the CAM NC, having regard to the process carried out and ENTSG's aim to reflect the views of the majority of users during the development process.

Section	1-2: Rationale and Application	3: Principles of co-operation	4: Allocation of firm capacity ¹	5: Cross-border capacity
Support	X	X	X	
Do not support				X

Section	6: Interruptible capacity	7: Tariffs	8: Booking platforms	9-11: Legal provisions
Support	X	X	X	X
Do not support				

Please provide brief reasoning for your responses, if you wish

RWEST supports the proposed Code, except for Section 5. RWEST does not support the obligation on bundled products and is strongly opposed to the sunset clause, which will lead to legal uncertainties, and may lead to shippers receiving and paying for capacity they do not want, or losing capacity they need. RWEST does not support the default rule, because it does not see the value of receiving unbundled capacity in a purely bundled world. It does not have an alternative default solution as it does not support obligatory bundling.

With regard to 4, we believe that quarterly products have the added benefit, when compared

¹ Please consider article 4 except the day-ahead suggestion which is tackled already above.

to yearly products, of allowing shippers to build up structured capacity portfolios which closely match their expected usage of the capacity. This lessens the risk of contractual congestion as it ensures shippers are not obliged to book capacity which they cannot use, e.g. during summer months. Quarterly products also have the advantage of avoiding the need for an EU wide standardised capacity year and place less reliance on there being a liquid fully functioning secondary capacity market, which have struggled to develop over the last few years.

With regard to 7, RWEST supports the proposals, but ENTSG should recognise that these represent an interim position and may be overwritten by proposals contained in the Tarification Code. RWEST reserves the right to develop its thoughts and potentially oppose the concept of “revenue equivalence” during the development of the Tarification Code.