

Stakeholder Workshop II

On issues related to bundling of capacities

Brussels, 30 June 2015



Disclaimer



- **This presentation does not reflect a commitment content wise nor time wise for ENTSOG to specific options put forward in this presentation.**
- **Some of the options described to address identified problems have raised specific legal concerns of some parties. It might be appropriate to clarify these concerns.**
- **On a national level the relevant NRAs at the IPs would have to agree to the arrangement before TSOs implement**



Agenda of the Workshop II



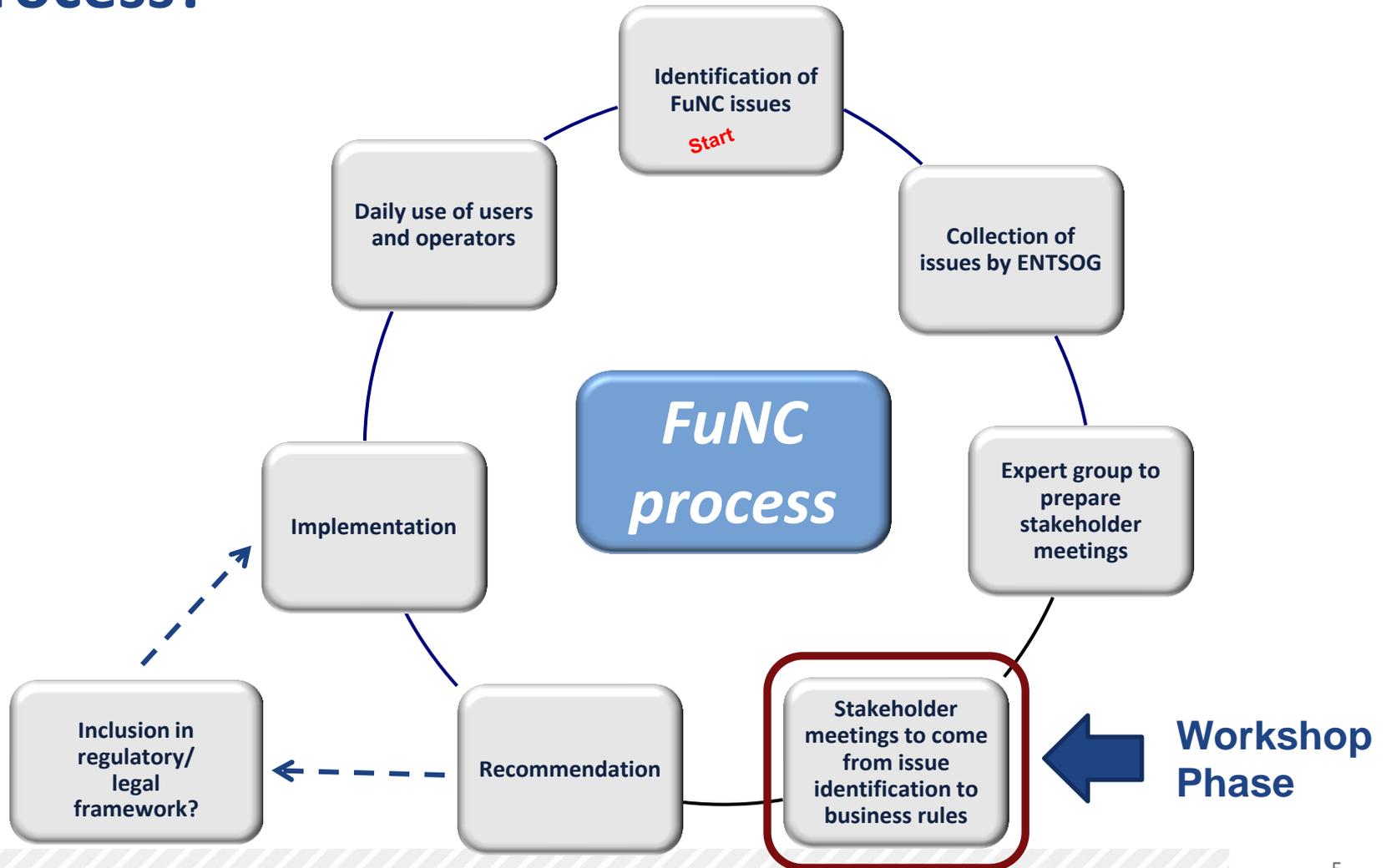
Nr	Session	Time
	Welcome Coffee	10:00-10:30
1	ENTSOG opening and introduction	10:30-10:40
2	Presentation of conclusions of WS I and objectives of WS II	10:40-11:00
3	Already contracted unbundled capacity and offer of bundled products only <ul style="list-style-type: none"> ➤ Presentation of potential options to address the issue ➤ Discussions and conclusion 	11:00-13:00
	Lunch Break	13:00-14:00
4	Already contracted unbundled capacity and offer of bundled products only	14:00-14:30
5	CMP regulation and its consistent implementation across IPs <ul style="list-style-type: none"> ➤ Presentation of potential options to address the issue ➤ Discussions and conclusion 	14:30-15:00
6	Alignment of secondary marketing of bundled products <ul style="list-style-type: none"> ➤ Presentation of potential options to address the issue ➤ Discussions and conclusion 	15:00-15:30
	Coffee Break	15:30-16:00
7	Aligned procedures for the surrender of capacity <ul style="list-style-type: none"> ➤ Presentation of potential options to address the issue ➤ Discussions and conclusion 	16:00-16:30
8	Conclusions of WS II	16:30-17:00



Recap of Stakeholder WS I

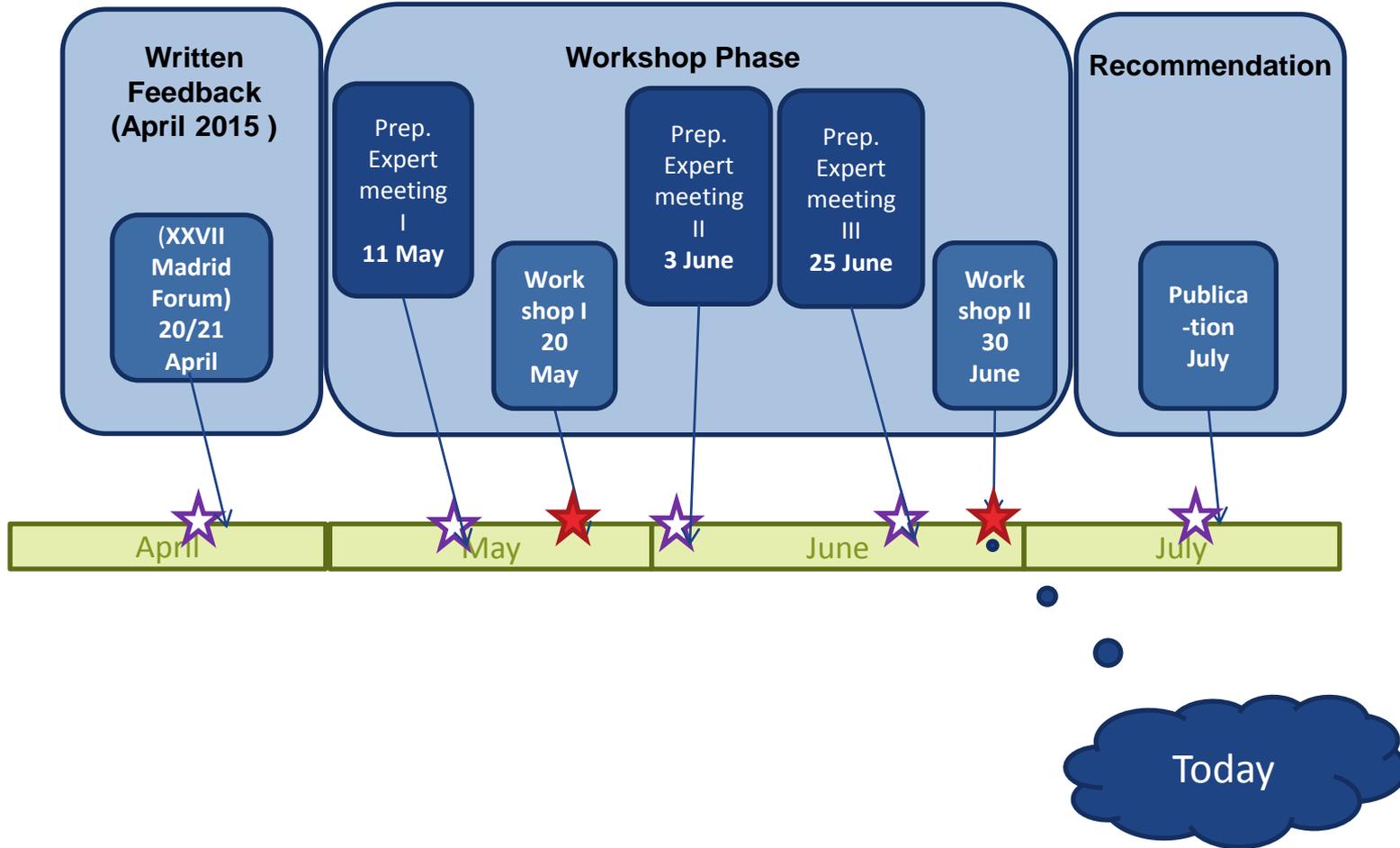


What is the Network Code Functionality Process?





What is the process timeframe?



Aims of Workshops I & II

1st Workshop 20 May

- Focus on presentation of identified issues
- Presentation of initial options identified by ENTSOG and EFET
- Discussion on preferred ways forward and considerations of stakeholders, regulators and EC

2nd Workshop 30 June

- Presentation of options to address the issue
- To get stakeholder's support on the options to solve the identified issues which will be developed into recommendations.

Recap of general principals to assess solutions

The following **assessment criteria** have been established to be taken into account when discussing how best to address the identified issues:

- **Effectiveness** in addressing the issue, (not necessarily one size fits all)
- **Compliance** with general principles and concepts of CAM/CMP
 - Maximisation of products on offer
 - Avoidance of discrimination
 - Ensuring level playing field
- Priority of **enhanced implementation** over amendment of regulations
- **Reduction of implementation efforts and costs**



Summary of main discussion points of WS I



- Issue 1: Already contracted unbundled capacity and offer of bundled products only
 - Prepare concrete proposal based on Regulator feedback and presented options to convert unbundled into bundled capacity.

- Issue 2: CMP regulation and its consistent implementation across IPs
 - Pragmatic solution supported by EC, regulators. Network users prefer OSBB and are invited to provide arguments, if any, for necessity full harmonisation.

- Issue 3: Alignment of secondary marketing of bundled products
 - 5-day cap on lead-time to be developed that is valid for transfer of contracts for standard product longer than one day and non-standard products.
 - For daily capacity products, a proposal will be developed aimed at providing the possibility to trade on the secondary market on a working day-ahead basis at least via sublet/transfer of use.

- Issue 4: Aligned procedures for the surrender of capacity
 - Timestamp approach and re-call option



**Recap - Issue 1 description:
Already contracted unbundled capacity
and offer of bundled products only**

Issue 1 – Introduction



- **Why does NC CAM introduce capacity bundling?**
 - EC Impact assessment: “Separate bookings of entry- and exit-capacity causes unaligned bookings possibly resulting in inefficient use of the interconnection”

- **Bundling requires close co-operation of TSOs**

- **NC CAM Article 6 (Capacity calculation and maximisation) requires TSOs to apply a joint method**
 - In order to maximise the offer of bundled capacity through optimisation of technical capacity

- **First step is to determine the technical capacity for the IP**

Preventative options

Preventative options

- Maximisation of technical capacity at an IP in line with **Art 6 of CAM NC**.
- A bundling of existing contract according to **Art 20 of CAM NC**.
- Application of **over-subscription and buy-back** at the side of the IP with less technical capacity (if OSBB is already applied by TSO) and non-application of over-subscription and buy-back at the side of the IP with higher technical capacity (in case of no congestion at TSO's side with higher technical capacity).
- Offer of interruptible capacity products by TSO with less technical capacity.



Proposal of options for Issue 1

ENTSOG proposes 3 options for addressing the Issue 1

- Terms and conditions of the options will not be proposed by ENTSOG on European level
- Terms and conditions of the options will be subject to implementation decision of NRAs on national level

1. Capacity conversion concept

- Developed by German NRA BNetzA
- Announced on the 1st Workshop on May 20

2. Capacity conversion concept with maximization of offered capacity

- Developed by ENTSOG
- Modification of Capacity conversion concept by BNetzA

3. Concept of leftovers allocation

- Developed by TIGF



Option 1.1: Capacity conversion



Option 1.1: Description



Developed by
BNetzA

Situation today:

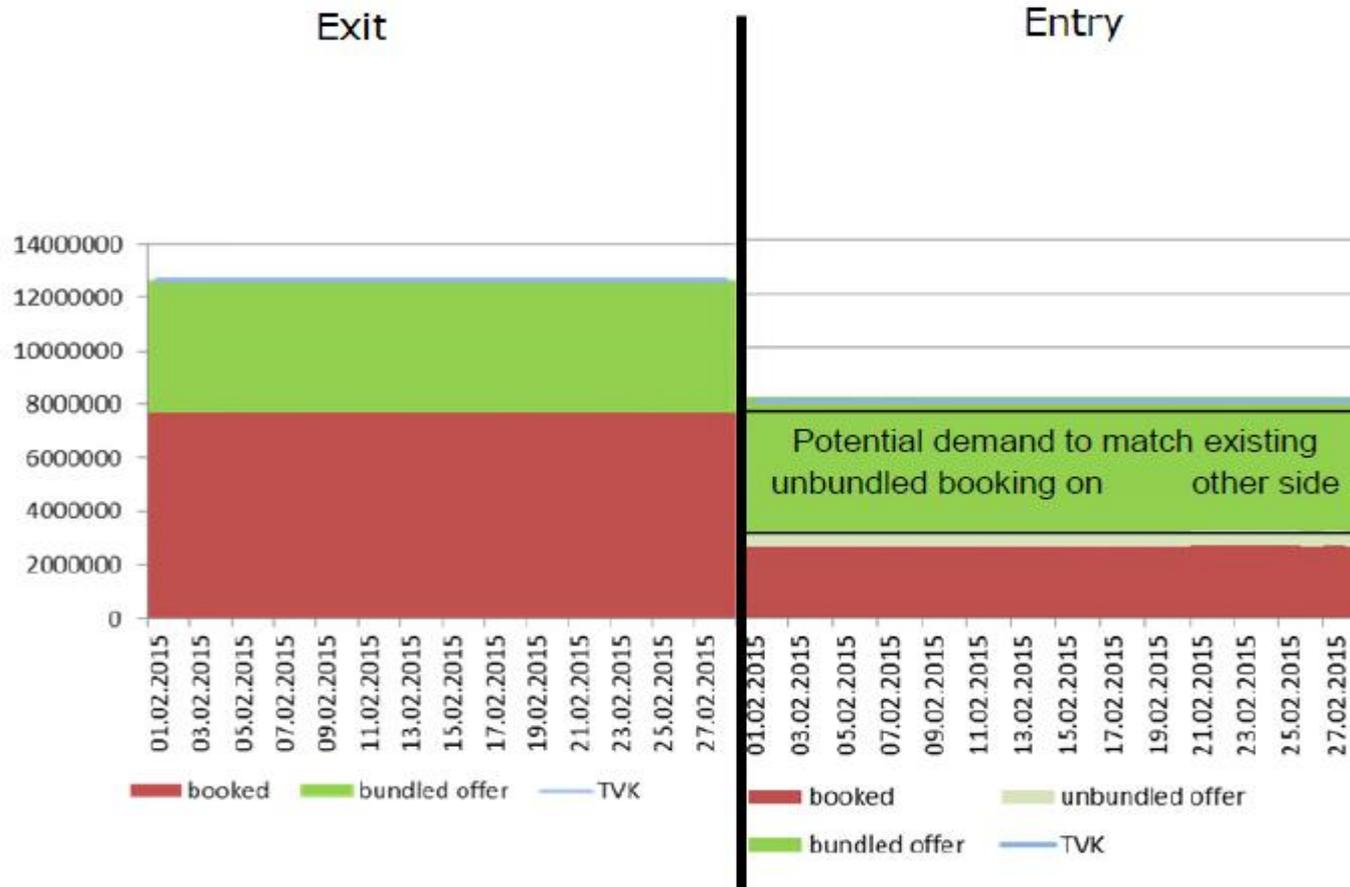
Network user may either buy bundled capacity (duplication of costs on one IP side) or unbundled interruptible capacity (interruption risk).

Potential solution:

“Conversion of unbundled capacity” meaning that shippers holding existing unbundled contracts take part in a bundled auction as any other shipper. In case of being successful, the already contracted unbundled contract is converted into the acquired bundled contract.



Option 1.1: Initial situation

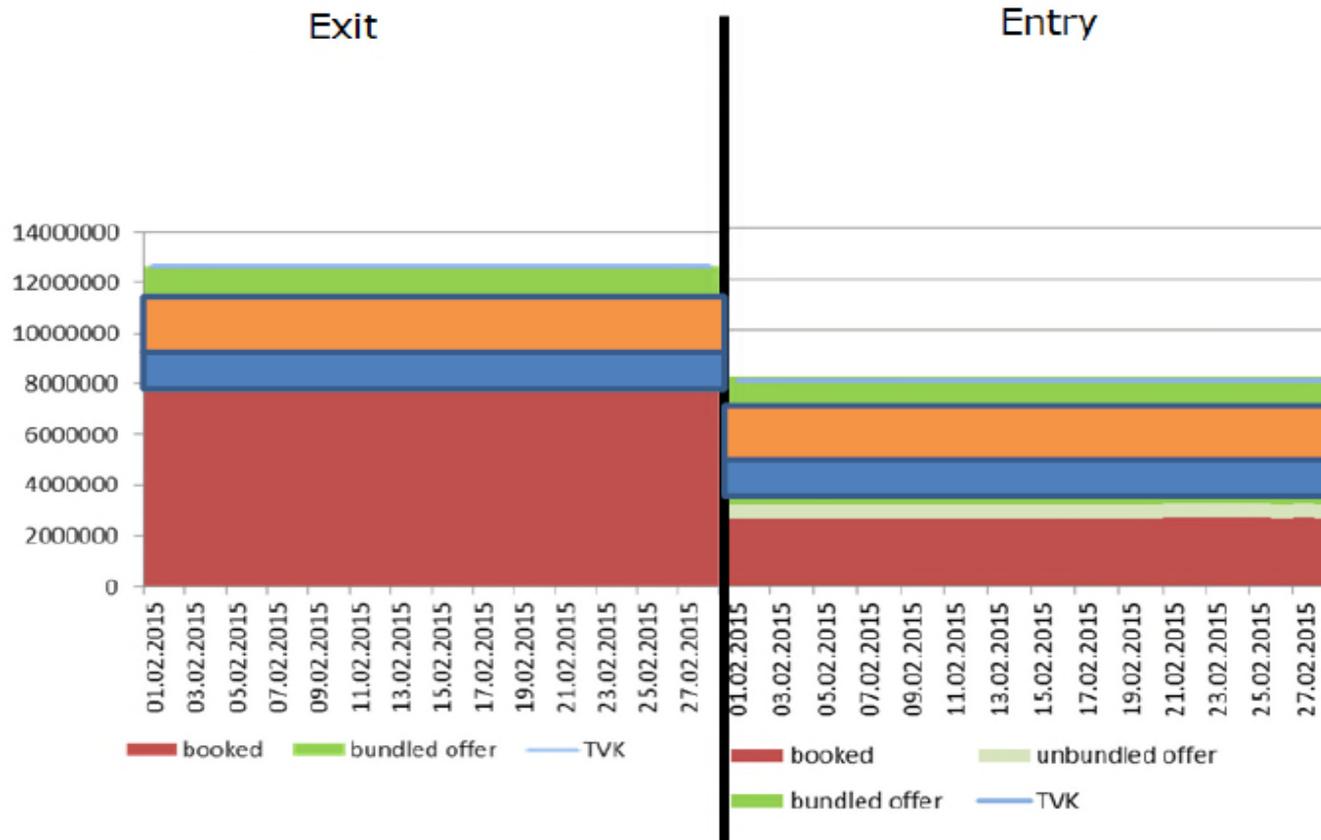




Option 1.1: Example

Example:

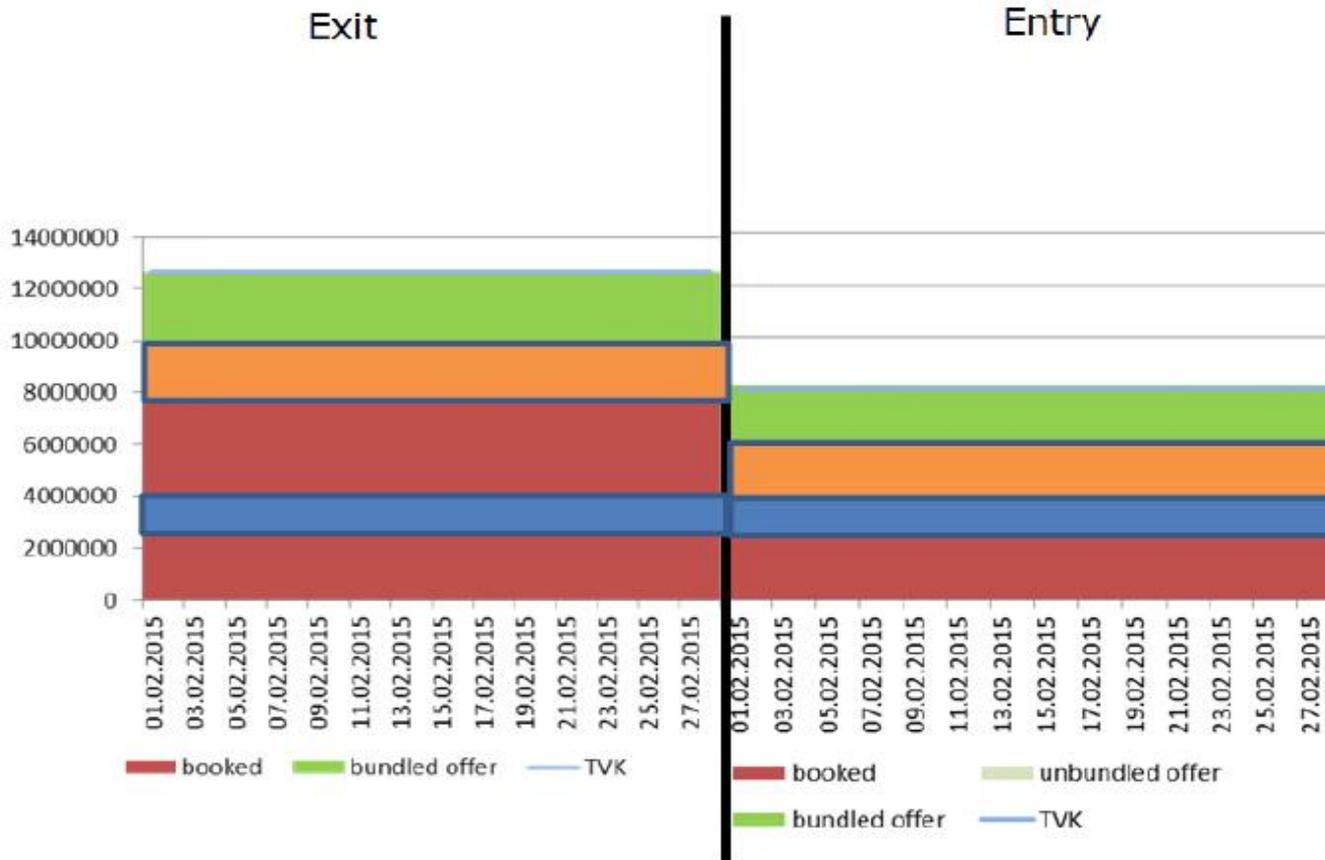
- Shipper 1 holds an all unbundled capacity at TSO Exit and acquires a bundled capacity product (blue block).
- Shipper 2 does not hold any capacity, but acquires a bundled product (orange block) in the same auction.





Option 1.1: Example

Shipper 1 converts already contracted unbundled capacity (red) in the range of the acquired bundled product.





Option 1.1: Result of the example

Developed by
BNetzA





Option 1.1



Developed by
BNetzA

Effect and compatibility with EU law:

- Shipper 1 is able to match his unbundled capacity without duplication of costs (but with potential auction premium), while all other shippers may acquire the maximum amount of bundled capacity.
- If unbundled capacity is converted into bundled capacity, the formerly unbundled capacity can be reoffered by the TSO in the following auctions. This reduces the contractual mismatch and increased the amount of contracted bundled capacity as one of the goals of the NC CAM.
- No need to change NC CAM or CMP as the normal processes are continued (conversion is not surrendering capacity in terms of CMP).
- Additional service of “conversion” of already booked unbundled capacity needs to be offered on a non-discriminatory basis, i.e. for all shippers holding unbundled capacity and at all IPs of a concerned TSO (better: all TSOs).
- If TSOs (and NRAs) would subscribe to this possibility a European solution is found, which can be implemented quite rapidly.



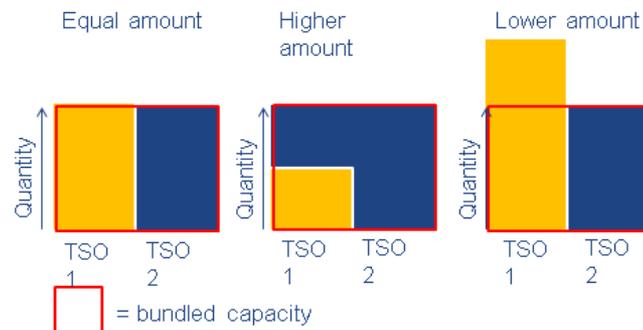
ENTSOG's understanding of option 1.1

Steps of the Conversion of capacity process:

1. Binding commitment by NU to TSO (before an auction) to convert existing unbundled contract subject to successful participation in bundled auction (Y and potentially Q and M auctions to bundle existing unbundled contracts).
2. In case of being successful in the bundled auction, the already contracted unbundled capacity is converted into the acquired bundled capacity with lower, equal or higher amount.

2.1 Additionally the NU can participate in an unbundled auction (on the opposite IP side of the existing unbundled contract) in order to get a capacity to be bundled with existing unbundled contract. This step could be feasible in case that level of acquired bundled capacity is lower that level of existing unbundled contract.

3. After conversion, the formerly unbundled capacity will be reoffered by the TSO in following auctions.





ENTSOG's considerations of option 1.1



Advantages:

- TSO with sold unbundled capacity can solve problem independently from adjacent TSO → No change in auction process/algorithm required.
- Probably no interference with existing EU regulation.
- Similar feature on PRISMA platform to convert interruptible capacity into firm may be utilized (subject to technical feasibility)
=> **Quick implementation by TSOs might be possible.**

Challenges:

- The offer of bundled capacity could be less than amount to be converted. (unbundled contract capacity is not offered in the bundled auction)
- Shippers have to choose and place bids in two separate but parallel auctions (1 bundled and 1 unbundled). The risk is that shippers do not acquire the capacity that they need while it is available. May result in an unnecessary auction premium.
- May not be a solution fully solving the issues of NU holding unbundled contracts.

Way of implementation:

- Implementation decision of NRAs on national level (incl. terms and conditions of the service etc.)



Option 1.2
**Capacity conversion concept with
maximization of offered capacity**

A green L-shaped graphic consisting of two thick bars meeting at a right angle in the top-left corner.

Capacity conversion concept with maximization of offered capacity

Add-on to BNetzA Capacity conversion concept:

- **To allow network users a ‘capacity release’ in combination with the capacity conversion request in order to maximise the offer of bundled capacity**
- **Such a ‘capacity release’ could be executed via the normal surrender mechanism or via an alternative indication**
 - The aim is not to remove contractual congestion
 - NU wants to use its unbundled capacity
 - Maximizes an offer of bundled capacity



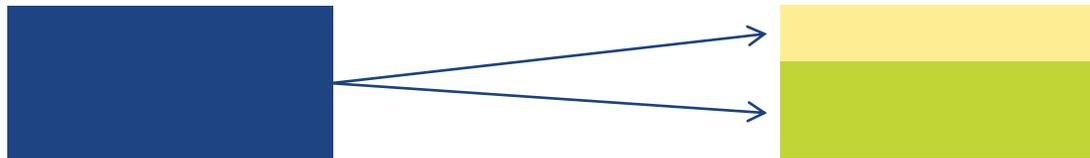
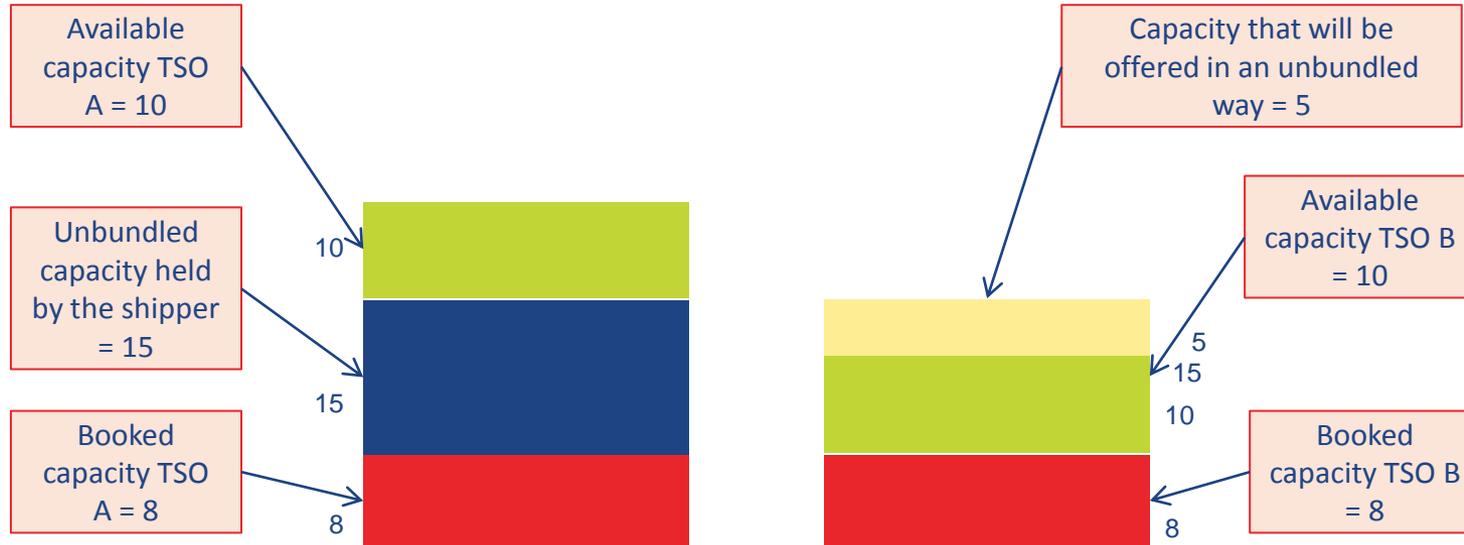
Summary



- Shippers 1 could e.g. make use of the normal surrender mechanism for unbundled contracts → **no changes to surrender mechanism needed.**
- Surrendered capacity will be offered by the TSO in the auction, where possible as bundled → maximizes the offer of bundled capacity.
- In the bundled auction, shipper 1 indicates the conversion request for the surrendered contract. → Shipper 1 does not have to choose and place bids in two separate but parallel auctions (1 bundled and 1 unbundled).
- **Conversion would be applied for surrendered capacity (capacity indicated to be released) that is returned to shipper 1 after the auction.**
- The only addition to the capacity conversion concept by BNetzA is to allow conversion for surrendered unbundled contracts / contracts with “indication of capacity release”.



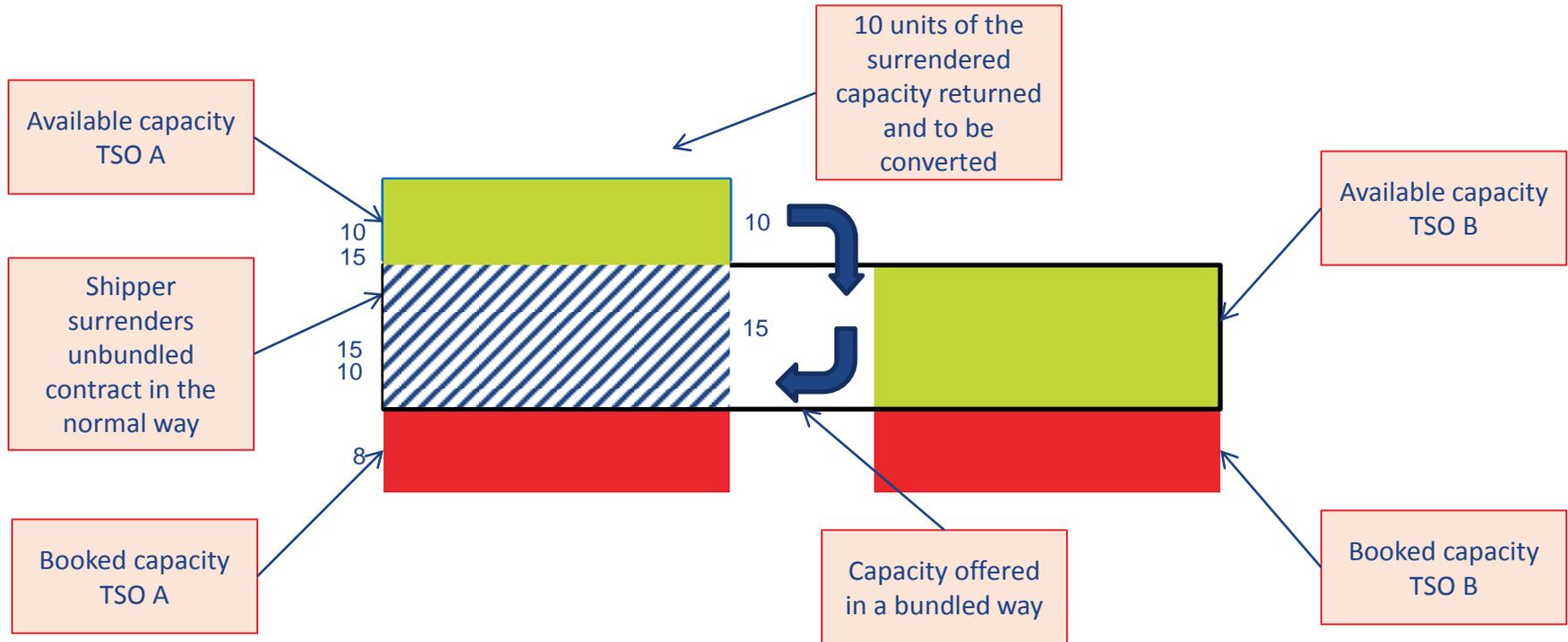
Example of option 1.1



1. Contracted unbundled capacity (blue part) is not included in the auction offer
2. As the unbundled and bundled auctions run in parallel, the network user cannot adjust its bids after auctions have started (esp. if more than one shipper are holding unbundled capacity, all shippers could end up in one of the two auctions, leading to suboptimal results)



Conversion of surrendered capacity



1. Shipper 1 surrenders unbundled contract to TSO (15 units)
2. Shipper 1 submits conversion request for surrendered unbundled contract (as much as possible, no more than 15 units)
3. Shipper 1 bids for bundled capacity → obtains 15 units of bundled capacity
4. Shipper 1 gets 10 units of the surrendered capacity returned
5. Conversion of unbundled contract takes place: 10 remaining units are converted into the bundled capacity obtained by shipper 1



ENTSOG's considerations of option 1.2

Advantages:

- TSO with sold unbundled capacity can solve problem independently from adjacent TSO → No change in auction process/algorithm required.
- Probably no interference with existing Elexis platform.
- Similar feature on PRISMA platform to convert interruptible capacity into firm may be utilized (subject to technical feasibility)
=> **Quick implementation by TSOs might be possible.**

Challenges:

- The offer of bundled capacity could be less than amount to be converted. (unbundled contract capacity is not offered in the bundled auction)
- Shippers have to choose and place bids in two separate but parallel auctions (1 bundled and 1 unbundled). The risk is that shippers do not acquire the capacity that they need while it is available. May result in an unnecessary auction premium.
- May not be a solution fully solving the issues of NU holding unbundled contracts.

Way of implementation:

- Implementation decision of NRAs on national level (incl. terms and conditions of the service etc.)

No change
Solved
No change

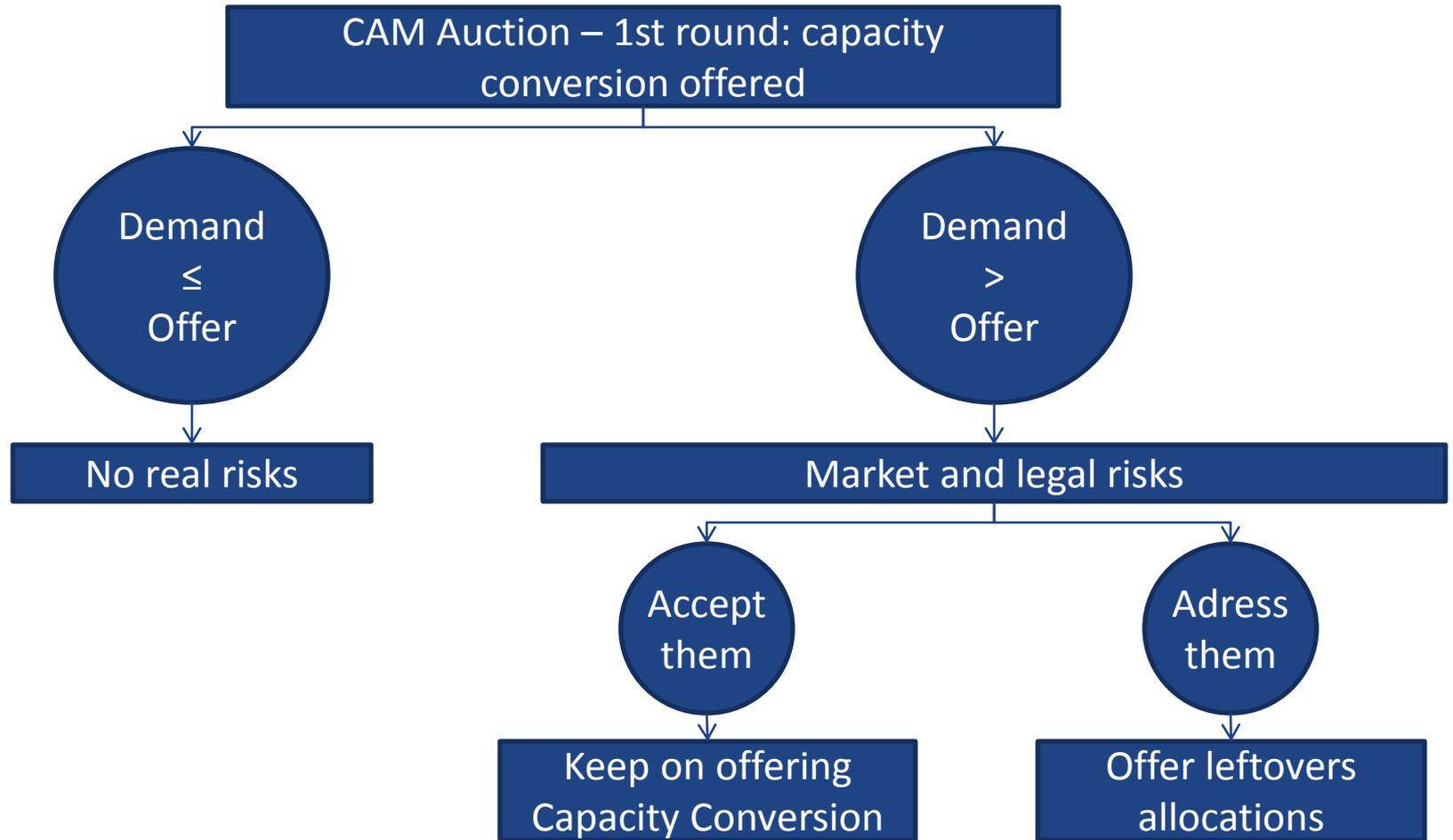


Option 1.3: Leftovers allocation



Leftovers allocation:

An alternative to capacity conversion when needed



Leftovers allocation: How would it work?

- When Demand expressed in the 1st round of the auction is above the offer of bundled capacities, capacity conversion is not applied anymore in the 2nd round → CAM auction runs normally and capacity is allocated as foreseen in CAM
- After allocating capacity, the leftover capacities are allocated to shippers in exchange, to the extent possible, of their unbundled contracts
- The capacity is allocated at the clearing price of the CAM auction
- This approach addresses identified risks and maximizes the amount of capacity allocated to the shippers (bundled and unbundled).
- See back up slides for details.



Leftovers allocation Vs capacity conversion

	Avantages	Drawbacks	How to address the drawbacks?
Leftovers Allocation	<ul style="list-style-type: none"> • Address economic & legal risks by guaranteeing fair competition between shippers • Maximizes capacity sold (bundled and unbundled) 	<ul style="list-style-type: none"> • Less likely to effectively address the “lack of unbundled capacity” issue 	<ul style="list-style-type: none"> • to further address the issue, the TSO not offering enough capacity must implement CMP measures, offer interruptible capacity and, eventually, invest.
Capacity Conversion	<ul style="list-style-type: none"> • More likely to effectively address the “lack of unbundled capacity” issue 	<ul style="list-style-type: none"> • Legal and market risks: x-subsidies, wrong clearing price, market distortion • less capacity allocated 	?

➤ **When $D > O$, the 2 variants should be proposed for implementation and choice could be made at national level as:**

- few instances when $D > O$ after the end of the 1st round of the CAM auction (ascending clock auctions).
- Consequences of Capacity Conversion are borne by one TSO (while not responsible for the lack of un bundled capacity offered).

ACER

 Agency for the Cooperation
of Energy Regulators

Capacity mismatches and bundling mechanisms

CAM TF preliminary views

Brussels, 30 June 2015

CAM TF understanding of the capacity mismatch problem

- The ACER CAM TF understands that network users holding unbundled capacity contracts only at one side of an interconnection point (IP) where only bundled capacity is offered, may have the following (financial) problem.
- If those network users want to transport gas across such an IP, and they cannot book the corresponding unbundled capacity on the other side (or couldn't have reached a bundling agreement with other network users holding unbundled capacity on the other side of the IP), they are left with buying bundled capacity and thus have to pay “twice” for the capacity part for which they already have unbundled bookings.

DOES THE ISSUE 'DESERVE' A SPECIFIC TREATMENT?

Is there a need to develop a mechanism to solve the issue?

1

How big is the issue?

- How many IPs are concerned?
- Which volumes of capacities are at stake?

2

When developing a mechanism?

All shippers have been aware of the introduction of bundled products and have had the opportunity to rearrange their capacity portfolios prior CAM NC implementation (At some IPs, unbundled capacity was proposed at annual, quarterly and monthly auctions but were not allocated).

A mechanism may be implemented:

- **On a case by case basis (per IP and with NRA agreement)**
- **If no unbundled capacity is offered on the "short" side of the IP**

- CAM TF is asking ENTSOG for elements to assess the magnitude and the location of the issues
- CAM TF is also aware that capacity mismatches at some IPs, which cannot be resolved by network users, may exist
- Heterogeneity of situations at IPs would advocate for a case by case treatment

CAM TF main principles regarding the development of any mechanism to solve the issue

CAM NC current provisions

- Article 19.5.a leaves some room to deal with potential capacity mismatches:
"where there is an existing unbundled transport contract at the other side of the IP, capacity may be offered on an unbundled basis not exceeding the amount and duration of the existing transport contract at the other side"

Legal obstacles to a binding modification of contracts

Modifying contracts should take into account:

- Parties cannot be forced to amend or terminate an existing convention as it is considered an infringement of contractual freedom which is a fundamental right
- Any mechanism should be implemented on a voluntary basis by TSOs

General principles regarding capacity bookings

- Any mechanism should not allow shippers to reduce the amount of firm capacity they have previously booked, nor their financial commitments
- The development of a mechanism should be non-discriminatory and should not distort capacity auctions

NRAs should be consulted by TSOs and network users willing to use a mechanism that could be developed.

Concrete proposals: scenarios that might lead to the use of a mechanism

If both NRA and TSO agree on the relevance of a mechanism, 2 options can be considered:

2

Impl. of CAM art 19.5.a

Shippers have an opportunity to book unbundled capacity to match the unbundled capacities they already have in their portfolios

Possible specific process (not CAM compliant), two-steps auction:

1. CAM auction runs normally
2. All the capacity not allocated during the regular CAM auction can be proposed unbundled.

Should not create any risk of contractual congestion

1

« Commercial discount » proposed by the TSOs

- Shippers with UB capacities participate in the auctions on bundled products (possibly monthly or annual).
- They acquire BU capacities,
- The TSOs may provide a commercial discount for the part of the UB capacity already contracted but « redundant » with the BU capacity newly acquired
- Consultation of the NRA required.
- Multipliers on the short-term products apply

Only valid if auctions clear at the reserve price

Compliance with CAM and CMP should be further assessed



Thank you for your attention!



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Agenda of the Workshop II



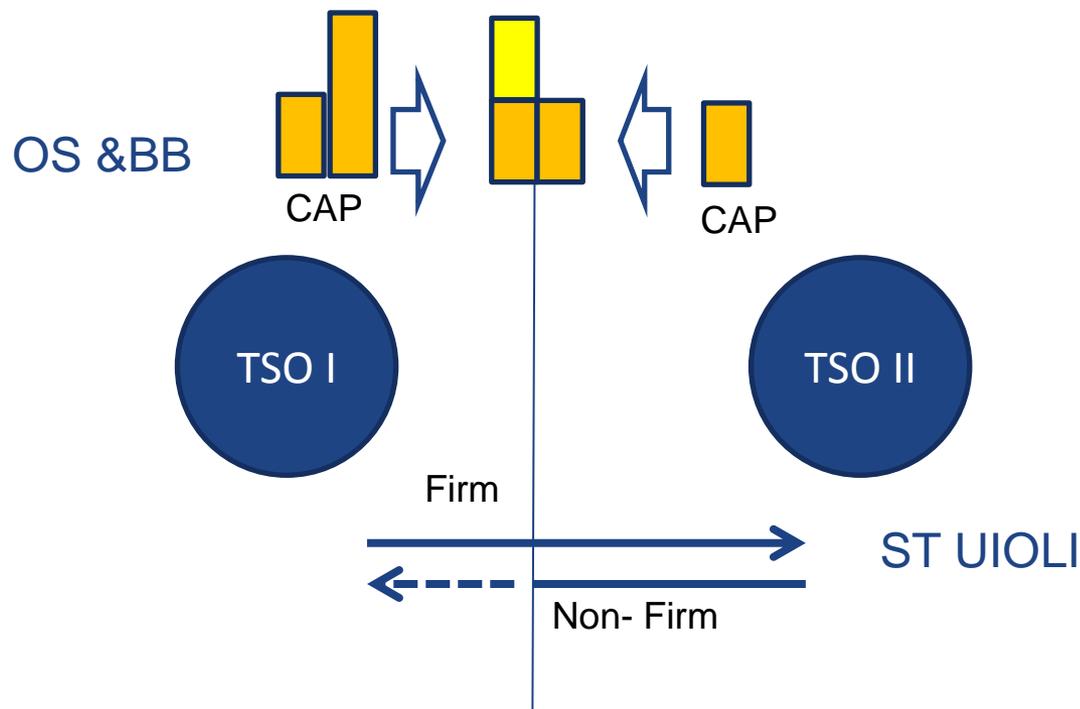
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**Recap - Issue 2 description:
CMP regulation and its consistent
implementation across IPs**

Issue 2: CMP regulation and its consistent implementation across IPs

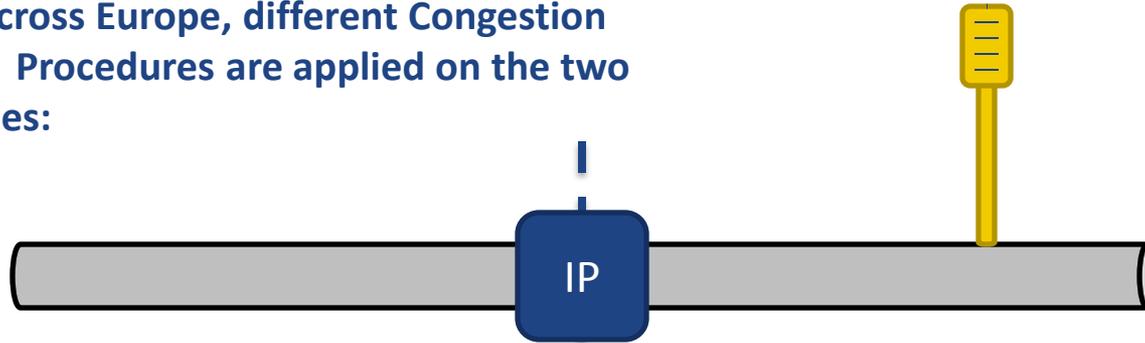
An issue arises where at one IP, OSBB mechanism is applied on one side of the IP while on the other side a DA UIOLI mechanism is applied, as both mechanisms cannot unfold their full effectiveness.





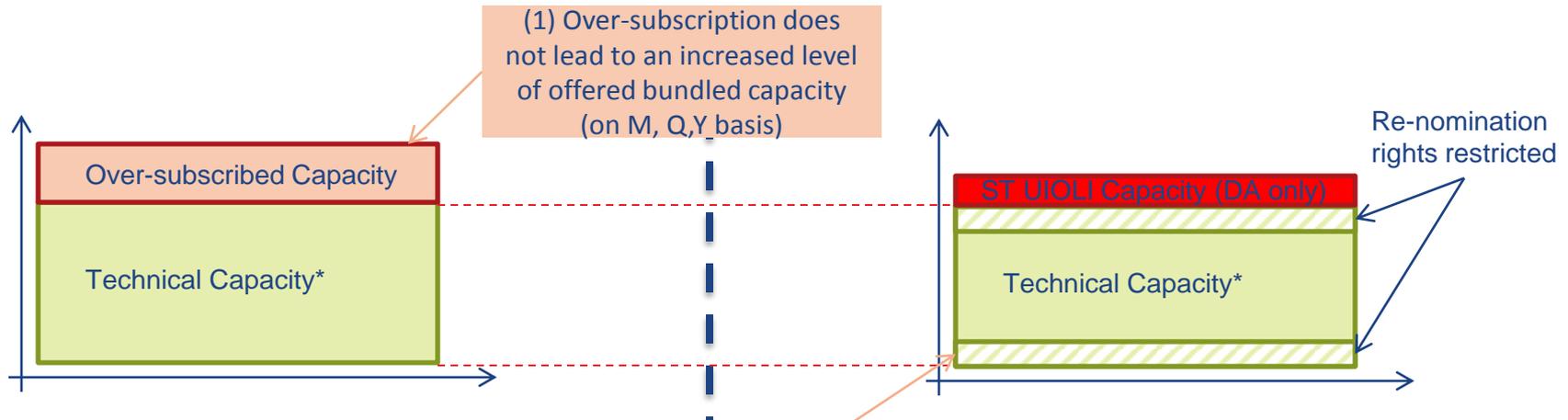
Issue 2: Introduction

At some IPs across Europe, different Congestion Management Procedures are applied on the two respective sides:



Over-subscription and buy-back

Day-ahead use it or lose it



* Assumption of equal levels of technical capacity on both sides

(2) Downward limit due to precedence of 'lesser rule' in matching is not working



Potential Options for issue 2



Recommendation to Issue 2



- Neither aligned application of OS&BB and FDA UIOLI per IP nor aligned application per standard product is foreseen by NRAs

- **Therefore:**

- ENTSOG supports the application of the EC Guidance for CMP, however, ENTSOG acknowledges that the application/interpretation of the CMP guidance is with NRAs.
- ENTSOG offers ACER the full support regarding the action undertaken as follow-up of the CMP Implementation Report - ACER already took initiative with NRAs to develop conclusions based on the “Implementation Monitoring Report on Congestion Management Procedures in 2014 CMP Implementation report 2014” (CMP Implementation Report). [Ref. 131 to 133].
- No regret option: Liquid secondary capacity market reduce the need for CMP
 - Functioning secondary markets enable network users to reduce congestion.



EC Guidance on best practices for CMP

- EC Guidance for CMP provides tools that aim at reducing the issue by **making the two CMP mechanisms more compatible.**
- Where NRAs have decided to apply different mechanisms at the two sides of an IP, the following should apply:
 - (1) In case of no congestion, **the downward restriction of re-nomination rights shall not apply** and restricted capacity cannot be offered as firm backhaul;
 - (2) In case of congestion and after 1 July 2016, **the downward restriction of re-nomination rights shall apply** also on the side at which OSBB is applied.

Note of caution: The re-nomination right restriction should apply to the counter direction of the congested direction.
- EC Guidance solves the most pressing compatibility issues, but does not address the increase of offered capacity.



ACER's CMP Implementation Report: Ref. 131 to 133

(c) Largely mixed CMP application (OS & BB vs. FDA UIOLI) at one IP to be further investigated

- (131) At more than half of the assessed cross-border IP sides, OS&BB is implemented on one side of the IP, while FDA UIOLI is applied on the other.
- (132) Whether the "mixed application" of CMPs in itself constitutes a severe barrier to an effective offer of additional capacity resolving or preventing contractual congestion at IPs could not be proven in the context of the current report. One of the case studies undertaken (Arnoldstein AT/IT) suggests that, although FDA UIOLI was implemented on one side while OS&BB was not yet applied on the other side, TSOs could manage to offer bundled capacity on a firm day ahead basis, remedying congestion and facilitating short-term market connection/integration.
- (133) The Agency invites concerned NRAs to further investigate specific cases to deepen the understanding on the interaction of different CMPs applied at two sides of the same IP. NRAs are encouraged to bring forward to the Agency cases of potential negative consequences of CMPs not functioning well together for further discussion.

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**Recap - Issue 3 description:
Alignment of secondary marketing of
bundled products**



Issue 3: Alignment of secondary marketing of bundled products



General description of secondary market situation

- Design and functionalities of secondary markets for capacity trades among network users still differs in the Member States.
- Network users can offer bundled or unbundled capacity products for various runtimes on secondary market.
- Bundled products to be offered at an IP need to be set up with both involved TSOs.
- Different secondary lead-times at both sides of an IP may lead to obstacles when offering bundled products.
 - Longer-lead times on one side can restrict the offer due to different deadlines for submitting secondary market offers to the TSOs.



Option 1: Harmonisation of secondary trade lead-times to establish best practices of day-ahead secondary markets



Recommendation to issue 3



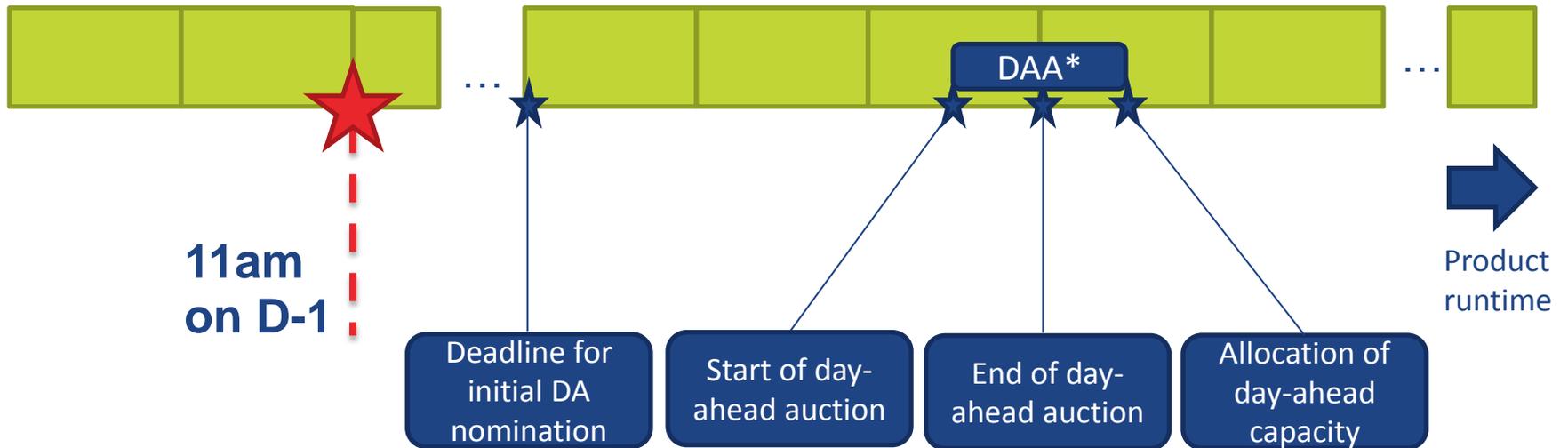
ENTSOG took into account feedback from the Workshop 1 and proposes aligned lead-times for secondary marketing:

- The period in which the TSO has to approve/reject a secondary trade request (assignments) for capacity is max **5 working days**. Confirmation shall be submitted by the TSOs in time to allow Network user to meet initial nomination deadline on D-1.
- For **daily capacity** products, a trade on the secondary market should aim at providing the possibility to trade on the secondary market on a working day-ahead basis. Deadline for submission of secondary trade (**sublet**) shall be **11am on D-1 on working days**.

Way of implementation:

- Inclusion of the proposal to Business Requirement Specifications for CAM NC/CMP.

Deadline for secondary DA trades before initial DA nomination deadline



For case: Sublet of Day-ahead capacity contracts

* Day Ahead Auction



Implementation –Lead times for Secondary Market

Inclusion of the proposal of alignment of secondary trade lead-times to Business Requirement Specifications for CAM NC/CMP (referring to TSOs which have introduced subletting/transfer of usage rights).

➤ 3.2.5. Operate secondary market

3.2.5.5. Confirm a Trade

“The Transmission System Operator(s) must be informed about the trade by the involved Network Users or by the Auction Office on their behalf. The Transmission System Operator(s) confirms or rejects the transfer after carrying out the necessary validity checks.

The information about the confirmation or rejection of a transfer is sent to the involved Network Users.

The Transmission System Operator(s) has/have a maximum of 5 working days for confirming a trade for capacity rights after it has been concluded. For the transfer of use of day-ahead capacity rights a maximum confirmation time of 6 hours starting at 11 am applies. The network user has to submit its trade proposal latest at 11 am on D-1.”

Coffee break



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6	Alignment of secondary marketing of bundled products <ul style="list-style-type: none"> ➤ Presentation of potential options to address the issue ➤ Discussions and conclusion 	15:00-15:30
	Coffee Break	15:30-16:00
7	Aligned procedures for the surrender of capacity <ul style="list-style-type: none"> ➤ Presentation of potential options to address the issue ➤ Discussions and conclusion 	16:00-16:30
8	Conclusions of WS II	16:30-17:00



**Recap - Issue 4 description:
Aligned procedures for the surrender of
capacity**

Issue 4: Aligned procedures for the surrender of capacity



General description of capacity surrender

- Network users have the opportunity to surrender capacity to the TSO according to CMP guidelines.
- TSO includes surrendered capacity into capacity products offered in the next auction(s).
- Once a network user surrenders capacity to a TSO, the amount of the capacity surrender cannot be changed.

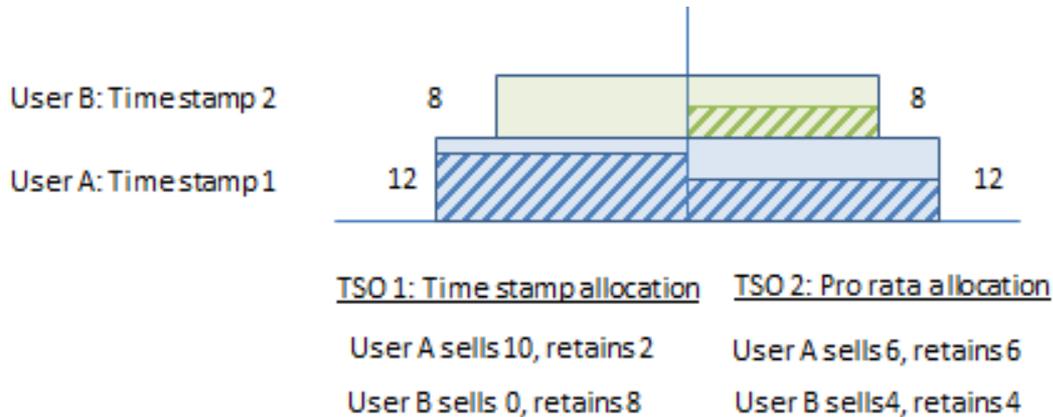
- 4.1 Different rules for the return of surrendered capacity to use
 - As currently applied, in some cases TSOs roll-over unsold surrendered capacity until the day-ahead auction.
 - In other cases, network users have the possibility to retain unsold surrendered capacity directly after the end of each auction.



Issue 4: General description (2)



- 4.2 Different rules for the allocation of surrendered capacity when sold in auction:
 - As currently applied, some TSOs allocate surrendered capacity in timely order of surrender (= time stamp approach).
 - In other countries, TSO allocate all surrendered capacities pro rata.



- Different treatment of surrendered bundled capacity on both sides of an IP → unbundling of originally bundled surrendered capacity with different amounts of re-surrendered capacity to network user.



Recommendation to issue 4



- 4.1 **Re-call option** may be introduced where automatic roll over is applied; where automatic return/re-surrender is applied the option to surrender full month after the month ahead auction for offer in day-ahead auction may be introduced.
- In case both mechanisms are applied at one IP, the older time stamp within a bundle prevails.
- 4.2 Implementation of **Timestamp approach**.

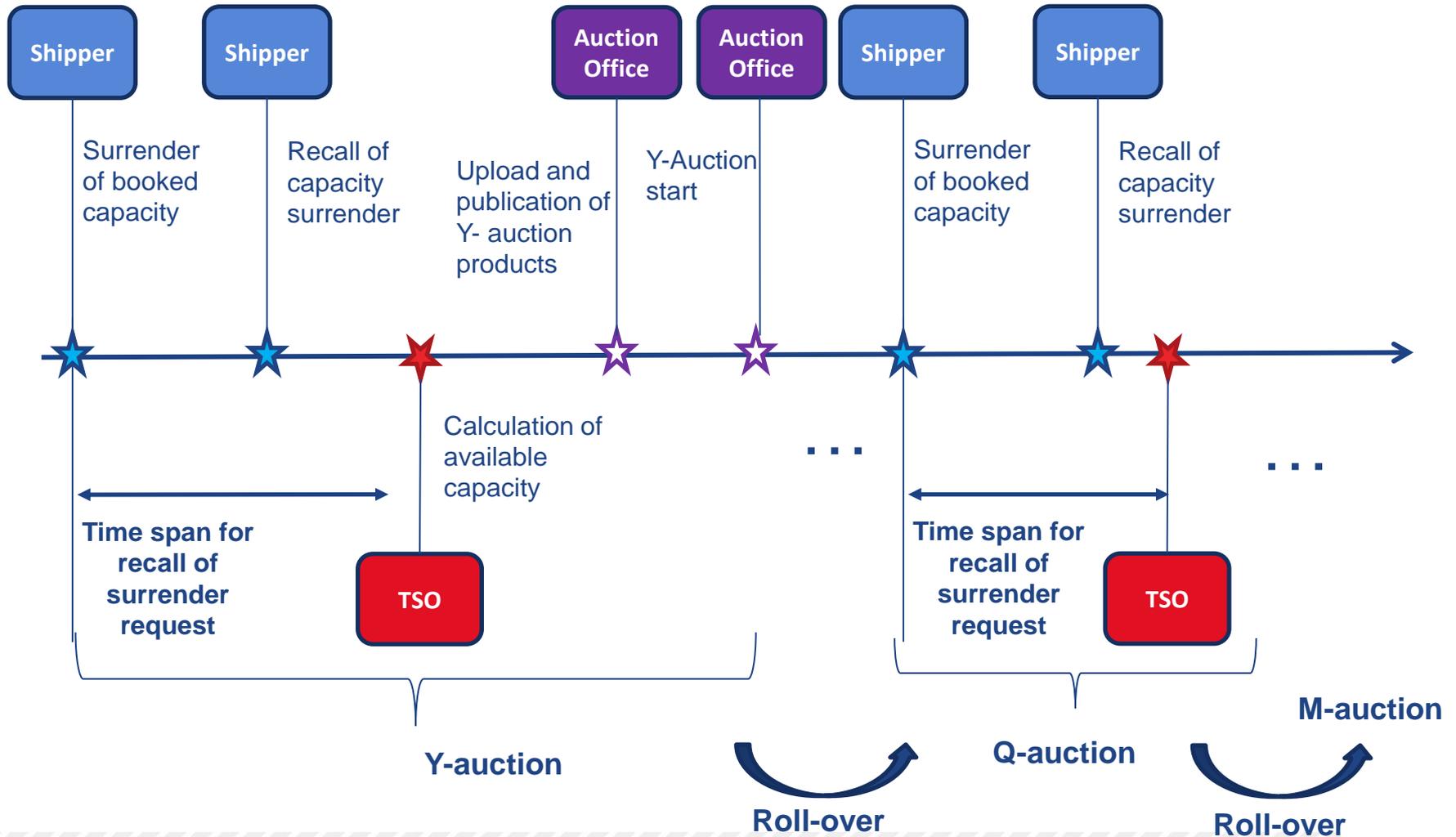
Way of implementation:

- Inclusion of the proposal to Business Requirement Specifications for CAM NC/CMP after FUNC-cycle is finalized.
- NRA review of national regulation might be necessary.



Option 4.1: Recall of capacity surrender

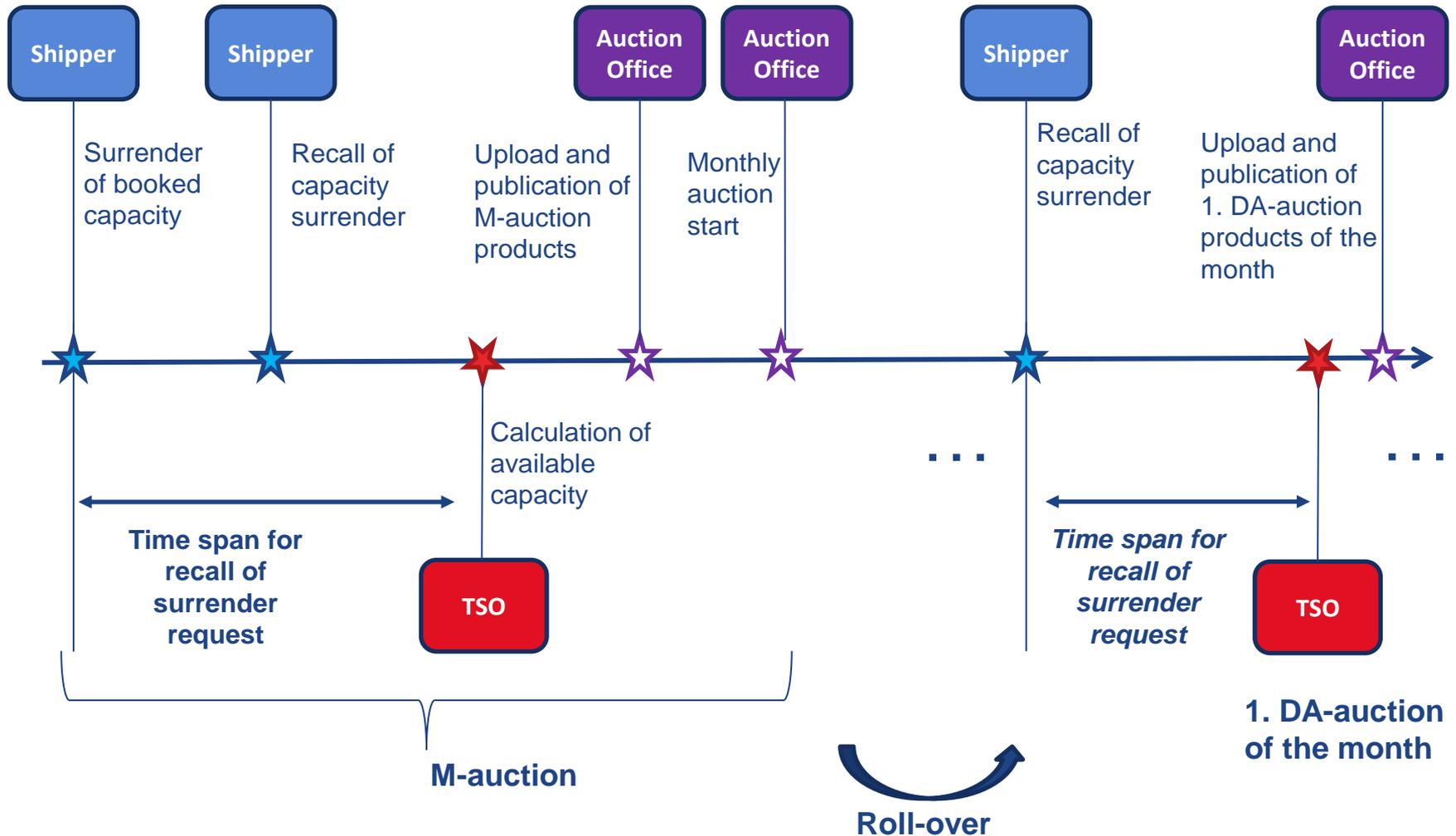
Option 4.1: Recall and roll-over of capacity surrender for Y, Q, M

Option 4.1: Roll-over of capacity surrender



for DA



4.1 Implementation – Recall of surrendered capacity

- Inclusion of the proposal of recall of surrendered capacity to Business Requirement Specifications for CAM NC/CMP.

- **3.2.3. Auction capacity**

 - 3.2.3.1. Determine offered capacity**

 - 3.2.3.1.1. Surrender capacity**

 - 3.2.3.1.1.4. Modify a surrender**

*“As long as lead times constraints are respected, the Network User may cancel all or part of a surrender request by submitting a **recall surrender request** which, as long as lead time constraints for capacity publication are respected, will be taken into account by the Transmission System Operator.”*

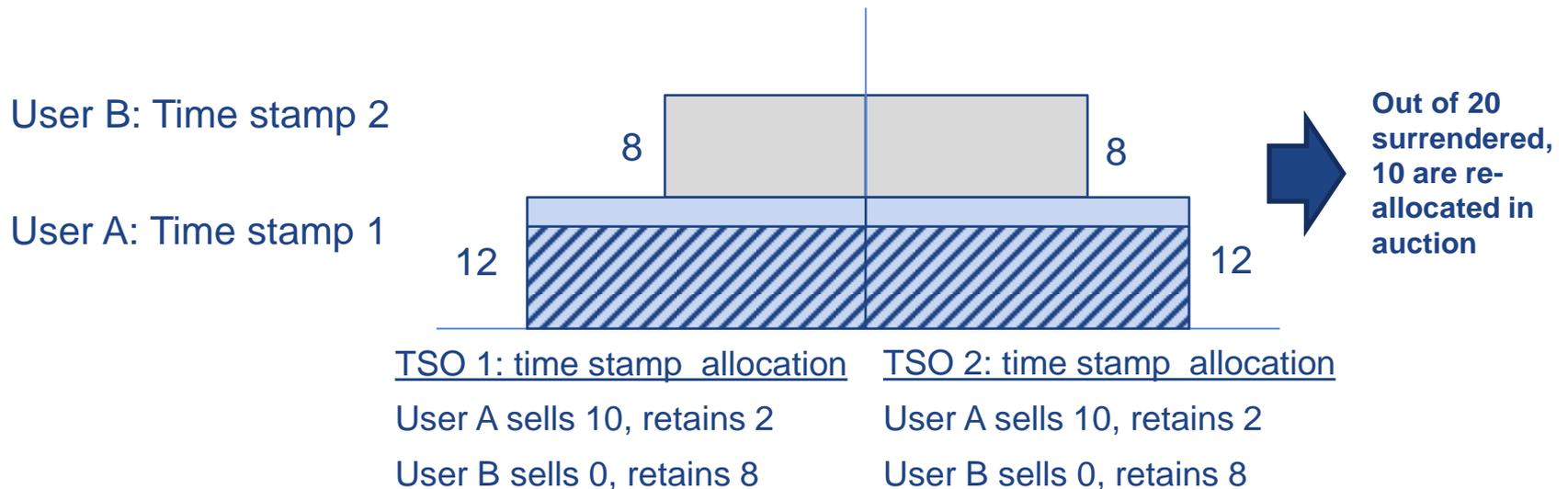


Option 4.2: Time stamp approach



Option 4.2: Time stamp approach

- Application of the same allocation method for surrendered bundled capacity products at both sides of an IP.
- Allocation of surrendered capacity in timely order of surrender (= time stamp approach).



- The time stamp approach is preferred to be implemented on both sides of an IP.



4.2 Implementation – time stamp approach in BRS CAM/CMP

- Inclusion of the proposal of the time stamp approach to Business Requirement Specifications for CAM/CMP.

- **3.2.3. Auction capacity**

- 3.2.3.1. Determine offered capacity**

- 3.2.3.1.1. Surrender capacity**

- 3.2.3.1.1.6. Determine surrendered capacity sold**

“The Transmission System Operator allocates the surrendered capacity sold to the Network Users depending on local market rules and informs them of their capacity that has been sold.

*When allocating the surrendered capacity sold to the Network Users the Transmission System Operator allocates the surrendered capacity **in timely order of surrender.**”*



Next steps



Recommendations for solutions will be published on the ENTSOG website end of July/ beginning of August 2015.



Thank You for Your Attention

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