

Congestion Management Procedures implementation: update on progress

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Background

- **CMP implementation required**
 - Long and complex work on the interpretation of the text **at national level**
 - **Important cross-border dialog and European coordination between TSOs and NRAs**, including via the Gas Regional Initiatives
- **ACER work on CMP implementation**
 - **Survey developed by ACER with ENTSOG** in February-March 2013 and presented at the 23rd Madrid Forum → Identification of main implementation issues.
 - **ACER “issues paper”** published in August 2013 → Non-binding guidance for NRAs (discussed during CMP Associations Roundtable in June 2013).
 - **2nd implementation survey** in July-August 2013

Aim

- **Identification of areas requiring harmonised/coordinated decision** at cross-border level for an efficient implementation of the CMP Guidelines
 - Avoiding diverging interpretations at national level resulting in incompatible solutions.
- **Interpretation of the CMP provisions** in combination with the CAM network code.
 - Reallocation of surrendered capacity with regards to CAM calendar.
 - Treatment of bundled / unbundled capacity.

Main findings for a coordinated implementation at IPs

- Effort from TSOs (and NRAs) to coordinate and offer the capacity made available by the CMPs as bundled products where possible.
- **Oversubscription and buy-back (OS & BB)**
 - Cooperation on the **determination of the level of technical capacity** at the IP.
 - Consistency on an IP of **aggregated offer of technical and OS capacity**.
 - Agreement on the **design of the BB procedure** between the adjacent TSOs.
 - BB should be market based → founded on the **willingness of the network user** to sell its capacity back to the TSO.

Main findings for a coordinated implementation at IPs

● Capacity surrender

- Agreement on **the timing and measures** allowing the network user to get its capacity back when not reallocated.
- **Priority rule for reallocation of surrendered products**
 - **In case several users surrender capacity** (time stamp vs. prorata).
 - **Between bundled and unbundled products.**
- **Need to agree on the possibility for primary capacity holders to make additional profit** in relation to the reallocation of surrendered capacity.

● LT UIOLI

- Need to agree between adjacent TSOs/NRAs on **withdrawal of bundled products.**

2nd implementation survey: July-August 2013

- **Aim:**

- Monitoring the progress of implementation
- Ensuring that respective measures are implemented in a consistent manner across IPs as well as in a wider EU context (CMP issues paper)

- **Survey shared with ENTSOG**

- **Responses received from 19 countries**

- **Survey conducted ahead of implementation deadline → Results shown today do not necessarily represent final implementation.**

Main results (1/2)

- **Implementation work is ongoing in all EU countries.**
- In most cases, general implementation of the **surrender and long-term UIOLI**.
- **Oversubscription and buy-back (OS & BB) :**
will probably be applied in FR, BE, UK, SI, IE, CZ, ES, IT, NIR, HU, GR, NL.
- **Firm day-ahead UIOLI** in AT, DE → OS & BB will not be applied pursuant to 2.2.3 (6).

Main results (2/2)

- **Main elements of OS&BB Systems**

- Most TSOs start as a first step with overselling **day-ahead and/or within-day products**
- In some countries, overselling on **monthly and longer term products as of 1st of October.**

- **Mitigation of high buy-back costs**

- Cap on buy-back price
- Less additional capacity offered

- **Cross-border discussions still ongoing for the implementation of convergent mechanisms.**

Main results

- **Surrender of capacity**

- Surrender paid with network charges in most cases (**no additional fee**).
- Most countries use FCFS (time stamp) to determine **which surrendered capacities should be reallocated first**. Only a few propose pro-rata.
- Ongoing work at IP level to agree on the measures allowing shippers to get **their capacity back when not reallocated**.

- **LT UIOLI**

- Decision on whether **conditions for withdrawal** are met either by NRA or TSO.

Conclusion

- **Need to have a common agreement on several areas for applying CMPs on bundled products** → work developed in the issues paper.
- **Interaction between CAM and CMP requirements**
 - **Need to take into account the interim period** between the CMP implementation deadline (1 October 2013) and the application of CAM (as of 1 November 2015).
 - **Experience with CMP mechanisms to be assessed in parallel to NC CAM early implementation** → Amendments to national CMP implementation may be necessary.
 - **Cross-border coordination** will continue → in order to implement convergent mechanisms for bundled products

Next steps

- **ACER to monitor congestions at IPs according to 2.2.1.3 of the CMP Guidelines.**
- **General ACER monitoring of implementation** (after implementation deadline under Article 9 of Regulation 715).
- **Further work on the issues paper.**

Thank you for your attention!

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