

ACER



Agency for the Cooperation
of Energy Regulators

South GRI – Progress and Outlook

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Progress on key regional projects

1. CMP implementation
2. CAM NC early implementation
3. Balancing, Interoperability, GRIP
4. Market integration



1. Congestion Management Procedures

Implementation of NCs in the South Region has been the main priority

- **Extensive discussion** on how CMPs should be implemented in a harmonised way :
 - in the **three countries**
 - **compatible with CAM NC**
 - building on the existing experience applying CMP
- The objective was to be able to apply:
By **October 2013**: UIOLI LT, OSBB and Surrender
By **July 2016**: UIOLI ST
- **Regulatory framework** has been/is going to be **modified accordingly**, in a **coordinated way** defining the general principles:
 - ☐ France- CRE Deliberation was approved in June 2013.
 - ☐ Spain- Circular sent to the Board for approval in September 2013.
 - ☐ Portugal – Working in detailed definition.

1. Congestion Management Procedures (II)

✓ Surrender

- **Possibility to surrender** initial capacity **without any limitation in volume and time.**
- Surrendered products to be allocated: **quarterly and monthly products.**
- Allocation priority: **time stamp**
- **Financial obligations** have been defined for the initial holder of the capacity

✓ UIOLI LT

- **TSOs will review the capacity utilization** of those users with annual and quarterly products when their contracted capacity lasts more than one year.
- Spanish proposal specifies the **methodology to calculate the underutilisation.**
- French **NRA has an important involvement** in the final withdrawal decision.

✓ Over subscription and buy back

- **Based on a risk analysis for each IP to be updated regularly.**
- Capacity is offered in addition to the technical capacity in the CAM platform
- **TSOs to coordinate** with adjacent TSOs:
 - When **defining the methodology** to determine the additional capacity.
 - To **coordinate the buy-back procedure.**
 - Buy-back to be developed also in CAM platform

2. Capacity Allocation Mechanisms (I)

CAM Roadmap in the South Region

updated in June 2013

NRAs and TSOs work in cooperation to meet the goal:

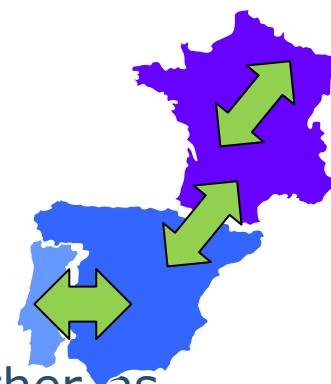
**FIRST JOINT CAPACITY ALLOCATION BY MARCH
2014**

following CAM NC

- **Learning for the experience of the Portuguese-Spanish early implementation**
- ✓ **Cooperation** between NRAs, TSOs involved and NRAs-TSOs
- ✓ The need to **make coherent and coordinate** regulatory changes
- ✓ **Agreement on the details** of the auction: harmonization of capacity products, agreement on price reserve, price steps and TSOs revenues split, establishment of deposits to participate in the auction, etc.

2. Capacity Allocation Mechanisms (II)

- **Definition of the capacity products and calendar:**
 - ✓ Available capacity to be offered to the market in different time scales: annual, quarterly and monthly confirmed in 2014
 - ✓ Process to define the VIP operation
 - VIP bundled capacity SP-POR
 - VIP bundled capacity SP-FRA
- **TSOs IT system:**
 - ✓ CAM **platform decision** taken by TSOs: PRISMA either as shareholders or as users
 - ✓ **TSOs are working coordinately** in order to have IT systems ready by the end of this year.
 - ✓ Draft MOUs, by December 2013
- **Other issues to solve in a coordinated way:** financial guarantees, contracts...



3. Balancing / Interoperability/GRIP

- Aspects to be **harmonized** in the Region **simultaneously with CAM early implementation** following the draft Codes of **BALANCING and INTEROPERABILITY**:
 - ✓ Gas day - 06:00 h a 06:00 h
 - ✓ Combustion reference temperature: capacity and nomination
 - ✓ Nomination/renomination schedule
 - ✓ Automatic data exchange between TSOs
- **Another key regional project: 2013 GRIP South** is being developed in line with ENTSOG TYNDP
 - ✓ Progress presented in IG, SG meetings.
 - ✓ Finalized by the end of the year.

4. Market integration

- ✓ Analysis of the **possible models** for the integration of the Spanish and Portuguese gas markets in a common **Iberian Natural Gas HUB**.
 - Final report by 1st quarter 2014
- ✓ Analysis of **LNG role** and flows **in the interconnection:** starting
- ✓ **Other initiatives:**
 - ✓ Working Group in Spain with dynamic stakeholders participation to **revise regulation** in order to **foster Iberian gas hub** development.
 - ✓ **Recent modification of CAM regulation in Portugal**
 - ✓ **Merging of balancing zones in France** to be completed in 2018

Thank you for your attention!



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