

Congestion Management at GTS

Focus: Oversubscription & Buy Back

Madrid Forum

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Congestion Management at GTS

CMP Measures

- Oversubscription & buy back (OBB) ✓
- Firm day-ahead use-it-or-lose-it X
- Surrender of contracted capacity
(Prisma platform, common service) ✓
- Long-term-use-it-or-lose-it
(indirect – information exchange) ✓

CMP at GTS – Oversubscription & Buy Back

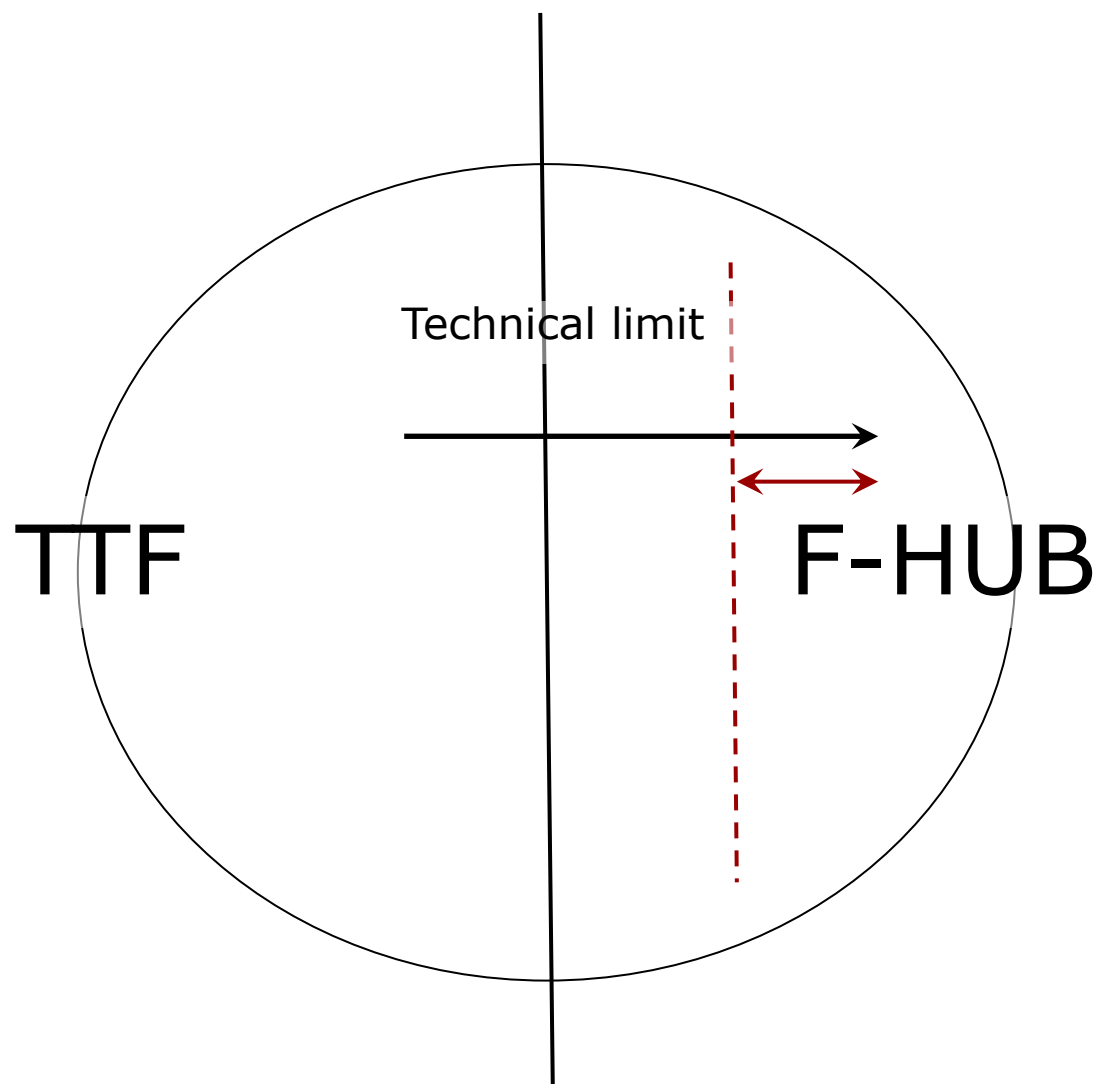
Three “shortened” sentences out of CMP

“Transmission system operators shall implement an incentive-based oversubscription and buy-back scheme”

“Transmission system operators shall apply a market-based buy-back procedure in which network users can offer capacity”

“Transmission system operators shall verify whether alternative commercial measures can maintain system integrity more cost-efficient”

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OBB

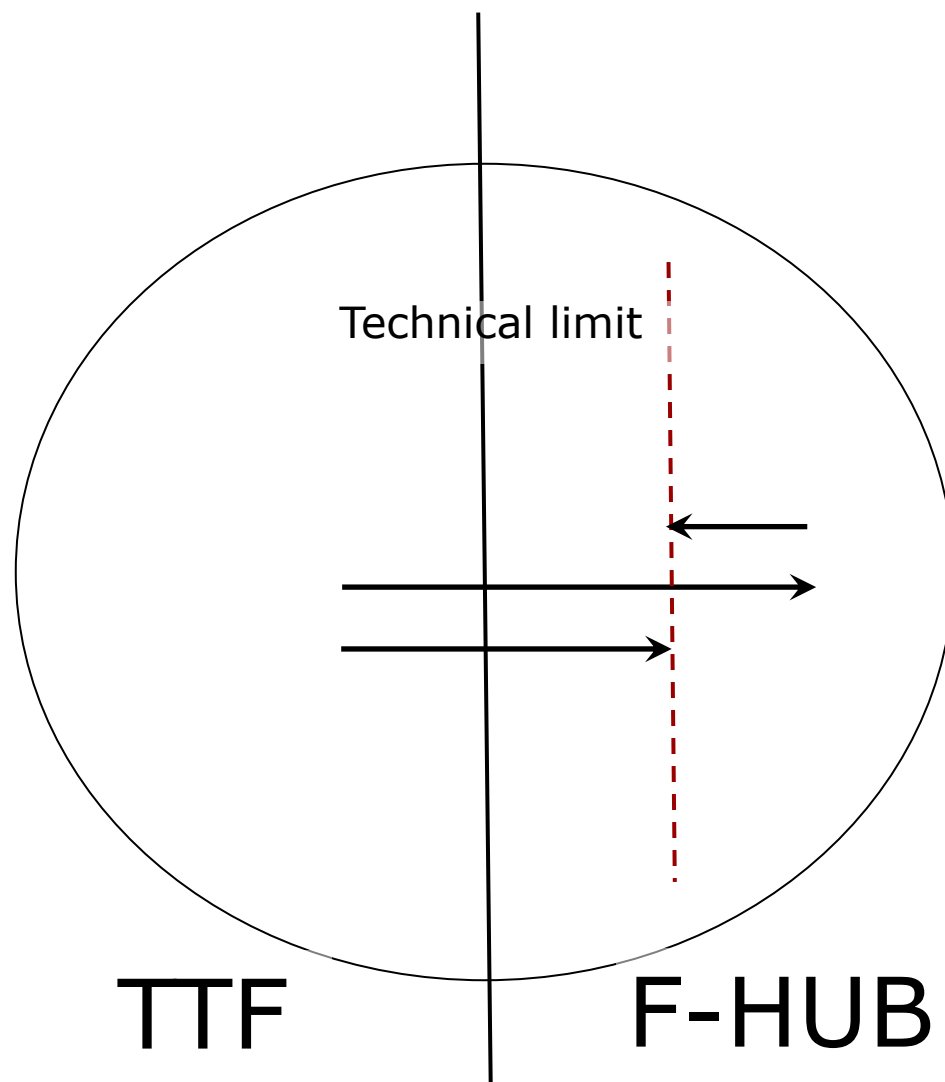
Oversubscription requires control mechanisms for physical congestion

GTS defines 3 mechanisms

1. Buy back auction
2. Hub transactions
3. Flow commitments

Allocation remains firm

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Buy back auction

GTS buys via Prisma

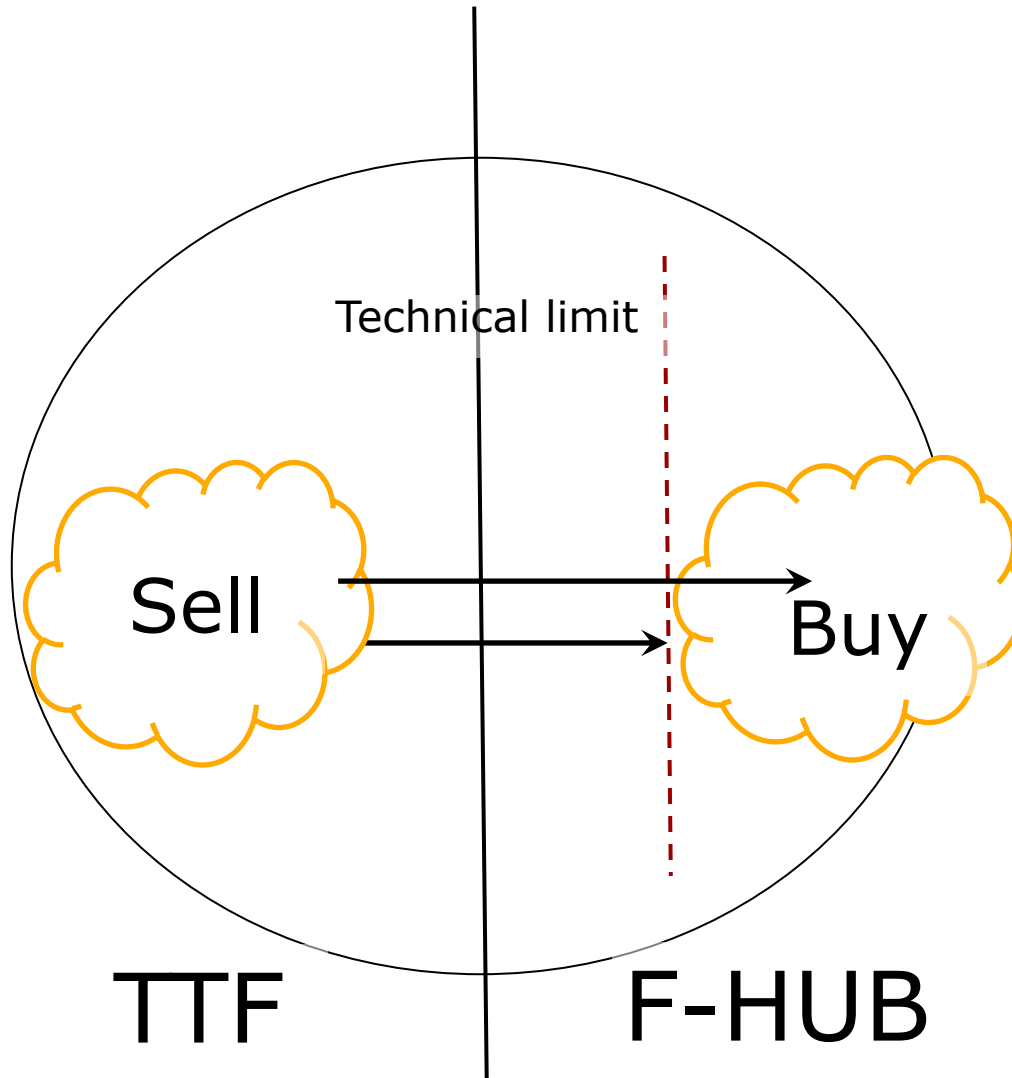
- nomination reduction and/or
- counter nomination

Expected product duration ~ 1 – 20 hours

Allocation remains firm

- Operational compliance to existing procedures
- As of January 2014

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Hub transaction

GTS (or agent)

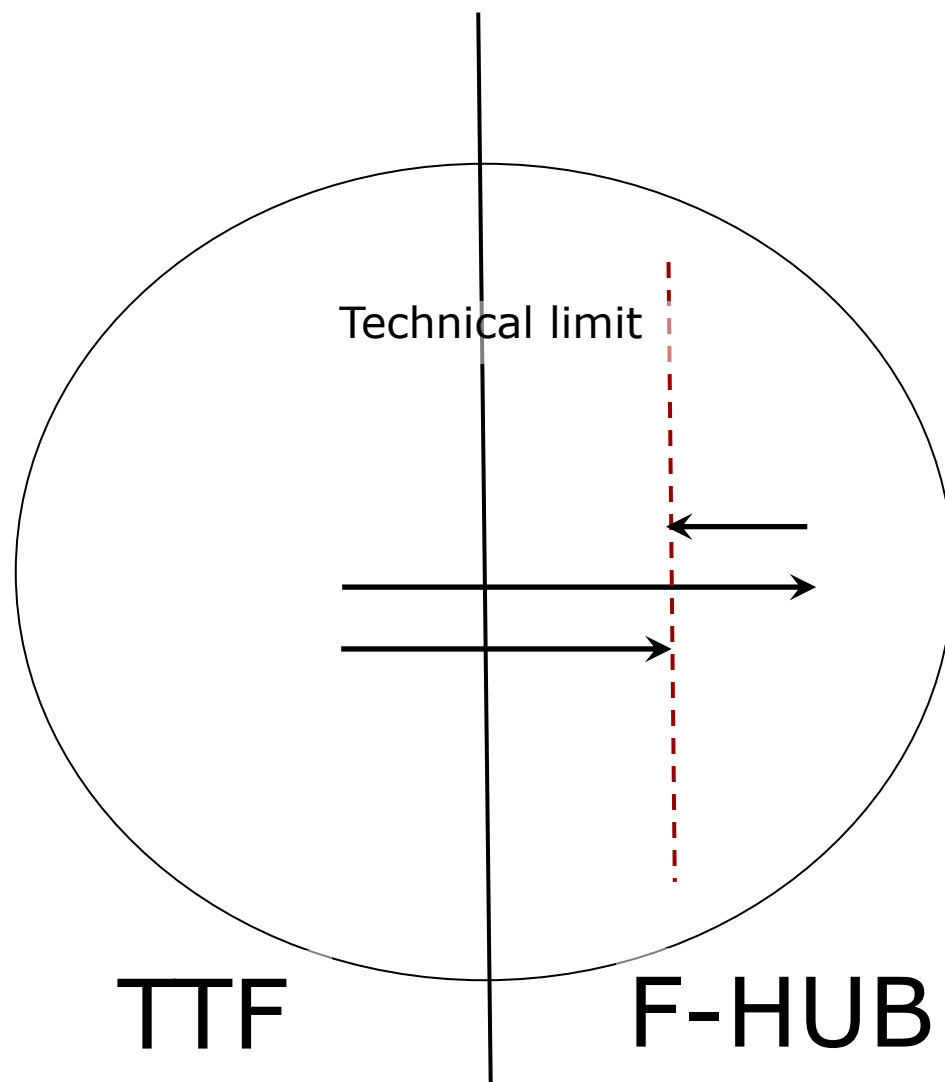
- sells gas at TTF
- and
- buys gas at F-Hub

Product duration 1 → ? hours

Allocation remains firm

- Under development

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Flow commitment

Upfront shipper contract

- nomination reduction and/or
- counter nomination

Product duration 1 – 10 hours, low frequency

Allocation remains firm

- Transition measure ?
- As of February 2014

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Additional capacity

Two products: first monthly, then daily

Buy back capacity

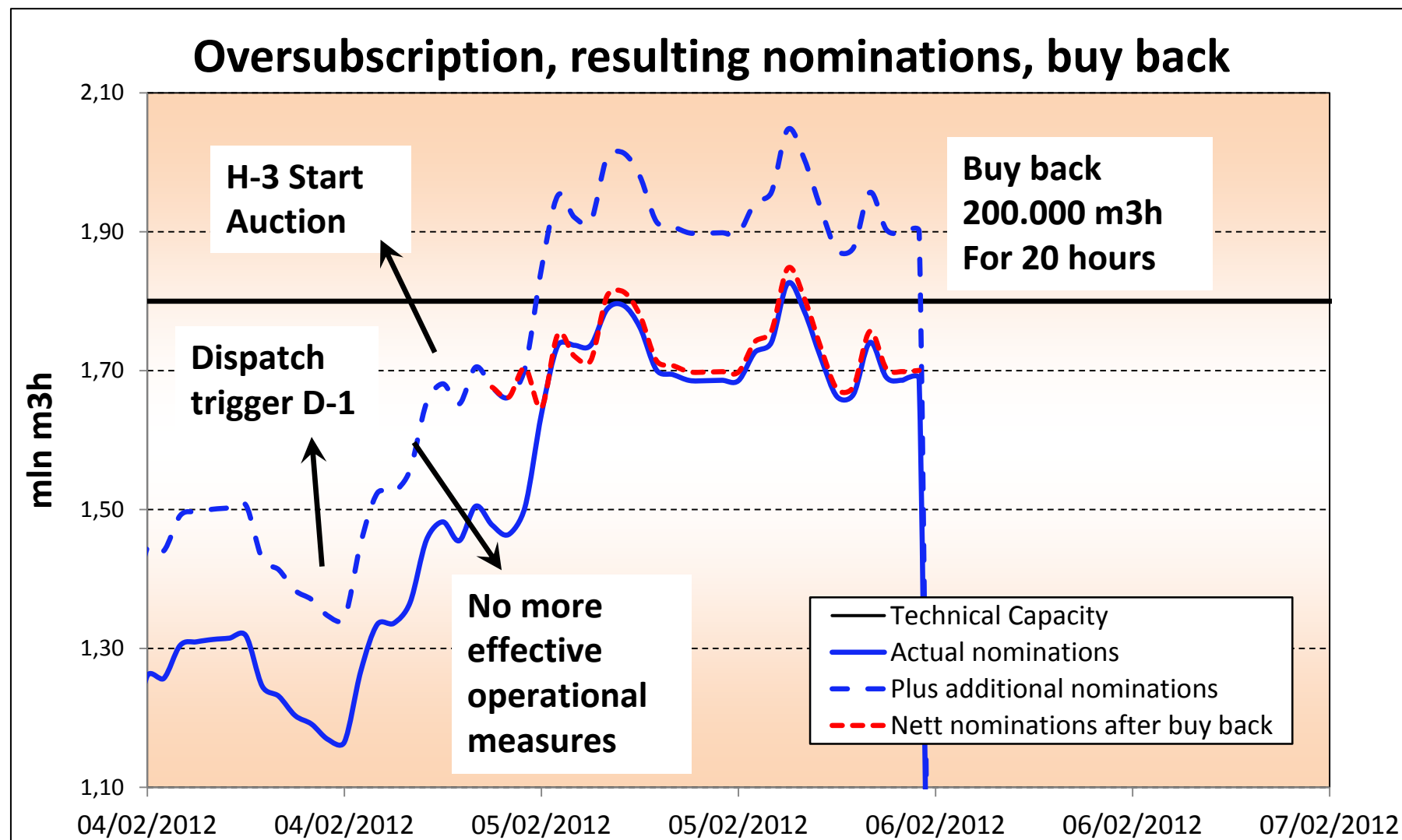
Complementary & competing commercial measures

1. Buy back auction via Prisma
 - High competition potential (all relevant shippers)
 - Low costs & easy to implement (use existing infra & algorithms, already access for all shippers)
2. Hub transactions (TSO or agent)
3. Load flow commitments (tender)

No pre defined cost maximisation (cap, floor)

- Risk management through
 - Competing measures and
 - Product differentiation (month → day)

CMP at GTS – Oversubscription & Buy Back



Thank you for your attention



Harry Smit