

## Gas Network Codes Functionality Process Issue Solution

Issue details	
Number:	605-19-08-30-0927
Name:	Auction restrictions NCG
Reporting party:	Austrian distribution area manager (AGGM)
Network Code / Guidelines concerned:	Network Code on Capacity Allocation Mechanisms, Commission Regulation (EU) 2017/459
Article of the Network Code / Guidelines	Article 8
Category:	European issue
Abstract:	
<p><i>Abstract of the issue: Since 2017, restrictive conditions have been announced by some TSOs on the PRISMA platform for annual and quarterly auctions in the German NCG market area. BNetzA requested TSOs operating in the NCG market area to re-allocate capacities after the annual and quarterly auctions at interconnection points (IP) to distribution exit points (DEP). These restrictions on capacity marketing at IPs in the NCG market area are contrary to Article 8 NC CAM.</i></p>	

Issue solution(s)	
Publication date:	04 06 2020
<p><i>The solution paper reflects the policy discussions in the underlying bodies of ACER and provides guidance on this matter. The paper also incorporates the technical inputs from ENTSG.</i></p> <p><i>Given the auction-based capacity allocation according to CAM NC at IPs and the deviating capacity allocation process at DEPs based on national law, capacity cannot be allocated in a straightforward manner as competing capacities.</i></p> <p><i>Based on that, a reallocation of capacities from IP to DEP might be appropriate as an interim measure for such exceptional cases, if TSOs are guided by a number of predefined criteria:</i></p> <ul style="list-style-type: none"> <li>• <i>This procedure does not endanger security of supply both for customers supplied via the IP or the DEP</i></li> <li>• <i>There is comprehensive reasoning that there is indeed potential for competing demand for capacity at both IP and DEP and, in the absence of appropriate network</i></li> </ul>	

*expansion, the level of demand at the DEP cannot be met without allocating capacity from the IP to the DEP*

- *Capacity may be reallocated to the DEP and will be re-allocated again to the IP if it is no longer needed at the DEP*
- *The relevant network operator offering the capacity seeks cost-efficient measures to meet the overall capacity demand and render the re-allocation redundant.*
- *A reallocation of available capacity is the efficient result of an alignment between the involved network operators of the market areas impacted by the reallocation.*
- *The highest level of transparency is ensured, which involve a yearly alignment meeting between relevant parties, in particular the national regulatory authorities (NRAs') and network operators of the market areas impacted by the reallocation. Furthermore, shippers are informed of possible reallocation of unbooked capacity prior to the relevant auctions on the capacity booking platforms.*
- *TSOs and NRAs will make their best efforts to assure that this interim measure lasts the shortest period of time possible.*

*For details, reference is made to the guidance document attached.*