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Agency for the Cooperation
of Energy Regulators

ACER annual Report on Contractual Congestion at Interconnection Points

Period covered: 2016

Fourth Edition

31 May 2017

ACER - Agency for the Cooperation of Energy Regulators

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Note: All hyperlinks referred to in this document were correct and functioning at the time of publication.

Executive Summary

This Report aims to identify contractual congestion at Interconnection Points (IPs) in the European Union for the period 2016-2018. For the purpose of this Report, contractual congestion is detected if at least one of the four criteria listed in paragraph 2.2.3(1) of the Congestion Management Procedures Guidelines ('CMP GL') is met. Therefore, this Report not only analyses where demand exceeded the offer of firm capacity, but also at which IP sides no firm capacity product with a duration of one month or longer was offered.

Relying on the available data, the following conclusions can be drawn:

- 23 (or about 9%) of the 247 IP sides in scope of the CMP GL were contractually congested in the reference period. These IP sides are listed in Annex 4. For another 55 IP sides, the Gas Year 2017/18 product was not offered in 2016. These IP sides may get cleared with the offer of just one monthly product in 2017 and therefore they were not further considered in the results. Based on both indicators, there is no conclusive evidence to assess whether contractual congestion has increased or decreased in 2016 compared to the previous year.
- The Firm Day-Ahead Use-It-Or-Lose-It (FDA UIOLI) mechanism is already applied at 13 of the 23 IP sides detected as contractually congested. This means that at the remaining 10 contractually congested IP sides (cf. Annex 5), the respective NRAs shall require the relevant TSO(s) to implement and apply the FDA UIOLI mechanism, according to paragraph 2.2.3(1) of the CMP GL or show that the congested situation is unlikely to reoccur in the following three years.
- Contractual congestion (cf. Annex 6) was found at five borders of Germany with its neighbours and inside Germany, where the FDA UIOLI mechanism is already applied (at the German sides). Other cases were found at IP sides between Bulgaria and Greece, between Romania and Bulgaria, between Austria and Hungary, Italy and Austria (due to construction works), France and Spain and inside France. In the latter case, the congestion is expected to disappear with the zone merger anticipated for 2018, while in the case of Italy and Austria this is expected with the termination of the construction works.
- 60% of the contractual congestion at the 23 IP sides is due to the non-offer of firm products with a duration of at least one month for use in 2016/17. Congestion signalled by auction premia is less prevalent and was identified for 9 IP sides.
- 17 of the 23 IP sides identified as contractually congested in this Report were already assessed as congested in the Agency's previous congestion report, and 11 of those in the report before.
- Physical congestion, indicated by actual interruptions of interruptible capacity, occurred at 8 contractually congested IP sides with varying frequencies.
- Congestion management procedures (CMPs) have yielded additional capacity offers only at the borders of 7 Member States in 2016; no application of the Long-Term Use-It-Or-Lose-It (LT UIOLI) mechanism has been reported to the Agency. Oversubscription was applied in 3 Member States, but almost all additional capacity amounts were offered on the Dutch IP sides.

In order to facilitate future data processing and to improve the quality of future reports, the Agency includes in this Report a number of recommendations on data and transparency addressed to ENTSOG, TSOs and NRAs (section 8.2).

Executive Summary

In section 8.3, the Agency restates its previous policy recommendations to the Commission, which are still valid. Among others, the need to review the scope and definition of contractual congestion. The Agency provides new recommendations aiming at greater regulatory flexibility in deciding to apply FDA UIOLI, and a “proactive” application of CMPs to prevent contractual congestion, instead of reducing already existing congestion.

1 Introduction

- (1) According to paragraph 2.2.1(2) of the Commission Guidelines on Congestion Management Procedures (hereafter, the ‘CMP GL’¹) the Agency for the Cooperation of Energy Regulators (‘the Agency’) has to publish a yearly monitoring report on contractual congestion at interconnection points (‘IPs’) by 1 June of each year², starting from 2014.
- (2) The fourth edition of the report is based on data on firm capacity products sold in 2016 for use in 2016, 2017 and/or 2018, taking into consideration, to the extent possible, capacity trading on the secondary market and the use of interruptible capacity. Such data has to be published by each Transmission System Operator (‘TSO’) pursuant to Section 3 of Annex I of Regulation (EC) No 715/2009³ and, where appropriate, validated by National Regulatory Authorities (‘NRAs’).
- (3) The purpose of this Report is to identify contractual congestion at IPs between entry-exit zones in the European Union, based on the definition in Article 2(21) of Regulation (EC) No 715/2009⁴. In particular, the Report aims to detect whether at least one of the conditions set out in paragraph 2.2.3(1) of the CMP GL is met during the reference period, from 1 January 2016 to 31 December 2018. If that is the case, the application of the Firm Day-Ahead Use-It-Or-Lose-It (‘FDA UIOLI’) CMP mechanism is triggered. The concerned NRAs shall then require the respective TSOs to apply the FDA UIOLI mechanism at the congested IP (side), unless they show that a congested situation is unlikely to reoccur in the following three years, e.g. due to capacity becoming available by a physical expansion of the network or through the termination of long-term contracts. In such cases, the relevant NRAs may decide to terminate or not to request the application of the FDA UIOLI mechanism.
- (4) NRAs are currently working on a proposal for amending the CMP GL so that they get more flexibility on the choice of the CMP to be applied at congested IPs. The aim is to make the application of the FDA UIOLI less “automatic”, if (only) one of the four conditions of paragraph 2.2.3(1) of the CMP GL is met, and also to consider the other parameters assessed in this Report (e.g. use of interruptible capacity, secondary capacity markets, extent of unsuccessful requests, existence of contractual congestion at the day-ahead level), before a decision for a certain CMP application (in particular the FDA UIOLI) is taken. Such a proposal will be put forward to the European Commission, which, on this basis, may decide formally to propose an amendment of the CMP GL, if and when it considers this appropriate.

¹ Commission Decision of 24 August 2012 on amending Annex I to Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks (2012/490/EU), OJ L 213/16, 28.8.2012, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:231:0016:0020:en:PDF>

² The original deadline of 1 March was changed to 1 June of every year.

³ Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005, OJ L211/36, 14.8.2009, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0036:0054:en:PDF>

⁴ cf. section 2.2.

2 Scope of the report and definition of contractual congestion

2.1 Scope of the report

- (5) The Report covers entry and/or exit IP sides of cross-border IPs, in-country inter-TSO IPs connecting entry-exit zones, IPs with a third country and virtual IPs to which the CMP GL and the Network Code on Capacity Allocation Mechanisms (NC CAM)⁵ apply.
- (6) The Agency and ENTSOG have established a ‘NC CAM / CMP GL IP scope list’⁶, which is regularly updated. It contains all the relevant IP sides for which the congestion analysis is to be conducted. The most recent scope list contains 366 CAM relevant IP sides⁷. Out of those 366 IP sides, only 247 IP sides are within the scope of the CMP GL, as there is no firm technical capacity at the majority of the 119 excluded IP sides⁸.
- (7) All IPs within the scope of the CMP GL, including those found congested in the three previous reports (2014 report⁹, 2015 report¹⁰ and 2016 report¹¹), are reviewed in the fourth edition.
- (8) Chapter 3 of the Report presents the data sources used and the methods applied for the congestion assessment.
- (9) The assessment of contractual congestion at IP sides in Chapter (31) is complemented by an analysis of the offer and use of interruptible products and of the occurrence and extent

⁵ COMMISSION REGULATION (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013
<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0459&from=EN>

⁶ List of Interconnection Points defining the scope of the CAM Network Code and CMP Guidelines by ENTSOG and ACER of 20 June 2016
http://www.entsog.eu/public/uploads/files/publications/INT%20Network%20Code/2016/20160623_NC%20CAM%20%20CMP%20IP%20scope%20lists_v6.xlsx

⁷ This list – together with the detailed congestion analysis results – is published along with this Report on the Agency’s website, in a separate ‘Technical Annex’ :
http://www.acer.europa.eu/Official_documents/Publications/Gas_Congestion_Report/Technical_Annex_to_the_Report.xlsx

⁸ Such IP sides mainly concern “virtual reverse flow” IP sides (i.e. interruptible backhaul directions), but also 7 IP sides, where currently no (firm) capacity has yet been marketed (e.g. IP still under construction) and 9 IP sides with non-EU countries, where NRAs have not decided to apply the CMP GL. One IP side (i.e. Remich entry CREOS / LUX) is excluded, since a derogation has been granted (although auction premia for 2 quarterly products occurred in 2016). To facilitate the differentiation of the NC CAM IP scope list from the CMP GL IP scope list, a marker/filter for IP sides within the CMP GL’s scope is added to the list.

⁹ ACER annual report on contractual congestion at interconnection points (period covered Q4/2013), first edition, 28.02.2014, http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20Gas%20Contractual%20Congestion%20Report%202014.pdf

¹⁰ ACER annual report on contractual congestion at interconnection points (period covered 2014), second edition, 29.05.2015, http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/20150529_ACER%202015%20Report%20on%20Congestion%20at%20IPs%20in%202014.pdf

¹¹ ACER annual report on contractual congestion at interconnection points (period covered 2014), third edition, 31.05.2016, http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%202016%20Report%20on%20Congestion%20at%20IPs%20in%202015.pdf and the full data table presenting all compiled data for those IP sides within the scope of this report, as well as the final results [http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/General_Annexes/20160530_identified%20congestion%202015%20\(detailed%20IP%20data\).xlsx](http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/General_Annexes/20160530_identified%20congestion%202015%20(detailed%20IP%20data).xlsx)

of unsuccessful requests. This analysis is based on the data provided by ENTSOG's Transparency Platform ('ENTSOG's TP').

- (10) Furthermore, occasionally occurring physical congestion is signalled through the indicator "actual interruptions of nominated interruptible capacity" at contractually congested IP sides (Section 4.3).
- (11) Chapter 5 covers an assessment of secondary capacity trading for the congested IP sides (based on PRISMA and TSO data) and an analysis of capacities made available through the application of the various CMPs in 2016.
- (12) Chapters 6 and 7 supplement the congestion analysis with recent data from the March 2017 auction reports (for yearly and month-ahead capacities), as well as with the results of day-ahead auctions that were cleared with auction premia in 2016.
- (13) IP sides already indicated as congested in the previous editions of the congestion report - and indicated as still congested in this Report - are highlighted in Annex 4.
- (14) The Report does not assess a potential underuse of capacity ("capacity hoarding") by individual shippers, as this would require an in-depth analysis based on individual network users' data, which is not public and rather a task for national regulators. The Agency already assists regulators in this task by providing the list of congested IP sides, filtered by country, for a closer assessment.

2.2 Definition of contractual congestion

- (15) The concepts of contractual congestion and physical congestion are defined in Articles 2(21) and 2(23) of Regulation (EC) No 715/2009 in the following way:

"contractual congestion' means a situation where the level of firm capacity demand exceeds the technical capacity;"

"physical congestion' means a situation where the level of demand for actual deliveries exceeds the technical capacity at some point in time".

- (16) A frequent occurrence of physical congestion - representing a severe form of contractual congestion - cannot be remedied through the application of CMPs, but should be addressed, where efficient to do so, by infrastructure expansions or, in some instances, via contractual arrangements, such as flow commitments.
- (17) Contractual congestion, during time periods without physical congestion, is tackled through the congestion management procedures laid down in the CMP GL. The CMP GL contain certain conditions that require the application of one of the CMPs, the FDA UIOLI mechanism. These conditions are set out in paragraph 2.2.3(1) of the CMP Guidelines. The paragraph foresees that NRAs require TSOs to apply the FDA UIOLI mechanism at IPs where, based on this Report, it is shown that demand exceeds supply, at the reserve price when auctions are used, in the course of capacity allocation procedures for products for use in either that year or in one of the subsequent two years :
 - (a) for at least three firm capacity products with a duration of one month, or
 - (b) for at least two firm capacity products with a duration of one quarter, or

- (c) for at least one firm capacity product with a duration of one year or more, or
- (d) where no firm capacity product with duration of one month or more has been offered.
- (18) The main purpose of this Report is therefore to identify for which IP sides at least one of these conditions is met during the analysed period. For the purpose of this Report, only IP sides fulfilling at least one of the above mentioned criteria are identified as “contractually congested”¹². That situation occurs if there is more market demand than offer for a certain capacity product for a distinct duration at a specific moment in time, which can be observed in the following ways:
- (a) In the event of auctions, congestion is apparent once the auction clears with an auction premium. The auction premium is a top-up paid by the successful bidder, on top of the reserve price at a specific IP.
 - (b) In cases where auctions are not (yet) applied and/or available firm capacity at the concerned IP is fully booked, the capacity demand exceeding the offer at the reference price could be indicated either as “unsuccessful request” for capacity and/or as additional demand for interruptible capacity.

3 Data sources and applied methodology

3.1 Capacity booking platform data

- (19) The CMP GL specify that the Agency’s Report on Congestion shall be based on data published by TSOs on ENTSOG’s TP¹³. However, not all data required for the analysis – in particular not all relevant auction results (with auction premia) from the PRISMA¹⁴ capacity booking platform¹⁵ and no complete list of non-offered products at IPs - are currently published on ENTSOG’s TP. Therefore, the more reliable primary auction data from the three existing capacity booking platforms - PRISMA, GSA¹⁶, and RBP¹⁷ - has been used for the assessment of auction premia. For the non-offers of capacity products with a duration of one month or longer a manual, point-by-point assessment had to be used.
- (20) The auction reports from booking platforms contain most of the relevant information on the auction results, including the identification of the IPs, capacity products and types, offered and allocated capacity, tariffs, and auction premia. This information enables an analysis of contractual congestion at IP sides in line with points a) to c) - and indirectly point d) - of paragraph 2.2.3(1) of the CMP GL, as ‘demand exceeding offer’ can easily be detected by

¹² All references to the occurrence of ‘congestion’ or ‘congested IPs’ in this report should be understood in the light of this assumption. Some of the IPs identified as contractually congested could also be physically congested. There can be cases of contractual congestion which are not covered by the 4 criteria of paragraph 2.2.3.1 of the CMP GL, as for example contractual congestion can also occur on the day-ahead or within-day timeframe (and would still fall under the general definition of contractual congestion in Regulation (EC) No 715/2009).

¹³ <https://transparency.entsog.eu/>

¹⁴ PRISMA is currently the largest common European platform for capacity allocation via auctions: <https://www.prisma-capacity.eu/web/start/>

¹⁵ For 2016, ENTSOG’s TP displayed auction premia occurring only at 5 IP sides (PRISMA), while the booking platforms reported auction premia for 15 PRISMA IP sides and 1 RBP IP side.

¹⁶ The capacity booking platform GazSystem Auctions (GSA) is run by the Polish TSO GazSystem: <https://auctions.gaz-system.pl/>

¹⁷ The Regional booking platform (RBP) is run by the Hungarian TSO FGSZ: <https://rbp.eu/>

comparing demanded volumes with allocated volumes per auction and/or by filtering for the occurrence of an auction premium on booking platforms.

- (21) The non-offer of firm products with a duration of at least one month or longer (cf. point d) of paragraph 2.2.3(1) of CMP GL) was identified and assessed for all IP sides by screening the respective auction reports for the offer/non-offer of all respective product categories (months, quarters, years for the calendar year 2016 until the gas year 2017/18).

3.2 ENTSOG's Transparency Platform data

- (22) On 6 March 2017, the Agency received two Transparency Platform bulk data export files from ENTSOG, in the format requested and specified by the Agency.
- (23) The transport data file for 2016 covers daily data for each NC CAM IP side, on booking levels of firm/interruptible capacities, technical capacity, flows (physical, commercial flows and nominations) and actual interruptions. The CMP file provides information on the application of CMPs, auction results (premia), unsuccessful requests of capacity and non-availability of capacity products in 2016.
- (24) If the CMP file was complete, consistent and checked by all TSOs and ENTSOG, it could, in principle, serve as the single source to detect contractual congestion. However, in the course of the assessment, it became apparent that this is still not the case. Besides the missing auction premia occurring in 2016 on PRISMA and RBP and some smaller inconsistencies in the files, the list of unavailable products (months, quarters, gas years) for use at least in the 2016 – Gas Year 2017/18 is not complete and can therefore not be used as a reliable source to screen all the congestion indicators¹⁸.

3.3 The Agency's approach to the congestion analysis

- (25) Due to the above-mentioned limitations of ENTSOG's TP data, the Agency had to use both sources mentioned above and the ENTSOG capacity map¹⁹ to assess the existence of contractual congestion:
1. Starting in January 2017, monthly auction reports covering the period from January until December 2016 were downloaded from the booking platforms²⁰, consolidated, filtered and arranged for the relevant data²¹. Then, the reports were screened for those auctions at IPs where total capacity demand exceeded the offer and/or where auction premia occurred for monthly/quarterly/yearly products. Products with an auction premia at a

¹⁸ Only for 54 IP sides within the scope of the CMP GL, data on non-availability was provided in the CMP file (on the ENTSOG TP respectively). By assessing the auction reports, *relevant* non-available products (for the period 2016-18) were indirectly detected for 71 IP sides. The relevant "congruence / overlap" of those detected congestion results matching with the unavailable capacities reported on the TP (CMP data export file) was as low as 17 IP sides only. And even the TP reporting for those 17 IP sides was mostly incomplete, as often the non-offers of the relevant Gas Year 2017/18 were missing. Taking into account the fact that TSOs had the chance to check their data submitted via ENTSOG, the Agency requests ENTSOG/TSOs to put more efforts in checking the accuracy and completeness of the data.

¹⁹ To check for virtual reverse flow IP sides (which are out of scope of the CMP GL and congestion analysis).

²⁰ Or directly requested from the booking platform operator (e.g. in case of missing data).

²¹ Such as IP name & identifier, direction, TSO, connected TSO, auction surcharge, total offered and total demanded capacity, product period from/to (converted into product labels), capacity types (firm/interruptible), bundled/unbundled.

specific IP side (or bundle) were listed in the results table (see Annex 4), created on the basis of the updated NC CAM / CMP IP scope list.

2. All consolidated auction reports were screened IP by IP for the offer and non-offer of capacity products of at least one month duration for the analysed period. The analysis focused on the offer and non-offer of firm bundled products followed by the non-offer of the unbundled firm entry or exit products. Where no firm product offers were found for 2016 or for the Gas Years 2016/17 or 2017/18, the offer of interruptible products was checked and recorded in the Agency's analysis.
3. Virtual reverse-flow IP sides were identified based on previous congestion analysis and the CMP filter in the scope list, but also using all the above-mentioned sources for double-checking.
4. All available CMP data on unsuccessful requests, capacity made available through CMPs, auction premia and non-availability of products stemming from ENTSOG's TP CMP export file were added to the results table, as they may signal congestion.
5. Those IP sides for which auction premia and/or non-offers of firm products occurred (i.e. no single monthly or quarterly product offered for 2016, or no quarterly or gas yearly product offered for 2016/17, or no Gas Year 2017/18 offered) were labelled as contractually "congested" in the results table (Annex 4). The reason of congestion ("trigger" / FDA UIOLI "condition") was recorded as well. If auction premia occurred at a lower frequency than indicated in the CMP GL's FDA UIOLI "conditions" (e.g. only for two instead of three monthly products), the IP side was marked as "close to be congested". The remaining IP sides were considered "not congested".
6. For those IP sides found congested²², further information on whether interruptible capacity was generally²³ offered at an IP side was checked on the ENTSOG's TP, and, if this was the case, it was assessed whether it was fully, partially or not at all booked (in terms of predefined time periods²⁴). The information on interruptible capacity bookings can be used as a proxy in the analysis to show that demand for capacity exceeded the actual offer of firm capacity. This is in line with the provision of the CMP GL 'to take into account the use of interruptible capacity'.
7. Additionally, the occurrence of actual interruptions of nominated interruptible capacity (as a possible indicator for physical congestion) was documented in the results table, based on ENTSOG's TP data (transport data, export file and online).
8. For the identified contractually congested IP sides, it was also assessed and indicated :
 - whether they were already found contractually congested in the previous three congestion reports,
 - whether the FDA UIOLI mechanism is already applied,
 - to which extent secondary capacity trading took place,

²² Except for those, for which a non-offer of firm capacity for the Gas Year 2017/18 was detected, as some TSOs do not (yet) offer gas yearly products beyond the front gas year or the gas yearly capacity for 2017/18 cannot be offered due to the short-term "quota" (i.e. capacity set aside according to Art. 8 (7b) of NC CAM). The new NC CAM obliges the TSOs to offer at least the upcoming 5 gas years from July 2018 on. For those IP sides, an additional analysis of the March 2017 auction results revealed whether congestion indeed persisted.

²³ Some TSOs offer interruptible capacity in predefined amounts, others in unlimited amounts, a few TSOs do not offer interruptible capacity (or only when the respective firm capacity is sold out, as required by the new NC CAM).

²⁴ i.e. Q1/2016, Q2/2016, Q3/2016, Q4/2016, year 2017, year 2018.

- whether auction premia also occurred at the day-ahead level in 2016, and
- whether the detected congestion persisted in the March 2017 auctions.

3.4 TSO data on capacity trading on the secondary market

- (26) The analysis of secondary capacity trading is required by the CMP GL (*'taking into consideration, to the extent possible, capacity trading on the secondary market'*).
- (27) For the IP sides qualifying as “contractually congested” or “close to be congested”, the Agency requested the respective TSOs to provide data on the secondary market capacity trades²⁵, as each TSO has the best oversight on these markets, while public access to the relevant data is limited. For this purpose, the Agency shared a draft results table with TSOs from 5 to 21 April 2017²⁶, asking them to provide secondary trade data on top of the public PRISMA secondary trade data, already included.
- (28) All information provided on capacity products and volumes offered, requested and/or traded on any of the possible venues (e.g. booking platforms, TSO bulletin boards, brokers, bilateral communication etc.) was added to the final results table. The full data table presenting all compiled data for those IP sides within the scope of this Report, as well as the final results of the Agency’s assessment is available for download on ACER’s website, in the Technical Annex to the Report.²⁷ A summary of the results is presented in Annex 4.

3.5 Review of results of congestion analysis by TSOs and NRAs

- (29) To ensure quality and reliability of the results of the congestion analysis, TSOs were also asked in April 2017 to check and - where necessary - amend and explain the data in the shared draft results table, containing the assessment of all IP sides within the scope of the CMP GL. The majority of TSOs reviewed the table, but very little additional data on secondary capacity trading (bilateral OTC) at congested IPs - on top of the publicly available PRISMA Secondary trade information - was provided.
- (30) In line with the CMP GL, compiled data, results and the draft report were also shared with NRAs for data validation purposes.
- (31) The partial review by TSOs and NRAs led to the inclusion of their comments in a dedicated column of the final results table. In cases where additional information and a proper justification were provided²⁸, the Agency amended the final results table accordingly.

²⁵ Regardless of the trading venue used, TSOs’ customers have to inform the TSO(s) if they want to transfer or reassign booked capacity to another party (exceptions may apply in case of a “sublet” of capacity).

²⁶ Late responses and contributions from TSOs were received until 5 May 2017.

²⁷ http://www.acer.europa.eu/Official_documents/Publications/Gas_Congestion_Report/Technical_Annex_to_the_Report.xlsx

²⁸ i.e. reproducible for the Agency and consistent with the other data sources used.

4 Overview and analysis of results on congestion

4.1 Identified contractual congestion and its breakdown

- (32) The results of the analysis of the auction reports and the ENTSOG's TP data for firm products offered in 2016 for use in 2016, 2017 or 2018 for the 366 IP sides are shown in Figure 1.

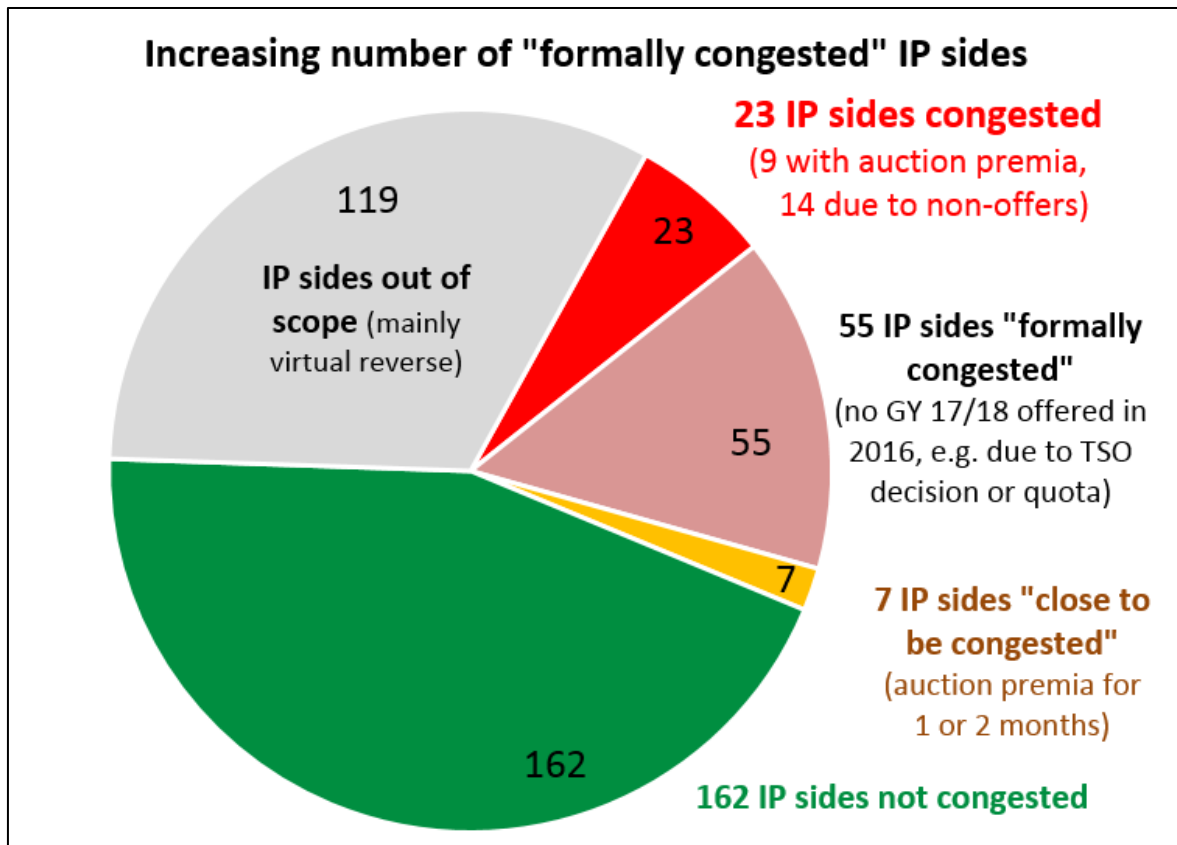


Figure 1: Result of the congestion analysis of 366 CAM IP sides

- (33) A total of 78 IP sides²⁹ were found “contractually congested”, based on the strict application of points a) to d) of paragraph 2.2.3.1 of the CMP GL. These IP sides were grouped either as certainly “congested” or “formally congested” IP sides. The number of “contractually congested” IP sides has increased as compared to the results of the 2015 report, which exhibited 64³⁰ of such IP sides in total. However, next to 23 “certainly” congested IP sides, the 2016 total of 78 IP sides includes 55 “formally congested” IP sides, for which only the gas yearly product 2017/18 was not offered in 2016. As explained in footnote 22, in a number

²⁹ In addition, 2 IP sides with a non-EU country have been identified as contractually congested: Drozdowicze (UA → PL, entry Gaz-System), Tietrowka (BY→PL, entry Gaz-System). However, at those IP sides, the respective NRAs have not decided to apply the CMP GL (yet). At the IP side Kulata/Sidirokastron (GR→BG, exit DESFA) no firm capacity is (temporarily) offered, yet. At the IP side Remich (DE-NCG→BE/LUX, entry CREOS) auction premia for 2 quarterly products occurred. However, Luxembourg holds a derogation from applying the CMP GL and Network Codes. Therefore, these 4 mentioned points are considered out of scope for the purpose of this report.

³⁰ 41 congested plus 23 IP sides considered “close to be congested” due to the NC CAM quota.

of cases this non-offer does not necessarily hint to contractual congestion, as some TSOs have either decided not to offer capacity beyond one gas year ahead or the NC CAM capacity quota³¹ prevented the offer of the Gas Year 2017/18 product.

- (34) The assessment of the auction results of the recent March 2017 auctions for gas yearly (and month-ahead) products has shed some further light on the persistence of contractual congestion at those 55 detected IP sides (see chapter 6 for more details). The booking platforms' reports indicate a persistence of contractual congestion due to the continued non-offer of the Gas Year 2017/18 product and the month-ahead (i.e. April 2017) product for only 9 PRISMA IP sides, out of the 55 detected IP sides. Potentially, quarterly products and/or, at least, one monthly product may still be offered in the course of 2017 for use in 2017/18, which would lead to the re-evaluation of the respective IP side as "non-congested". This assessment can only be subject of the next year's report on congestion. For this reason, none of the 55 "formally congested" IP sides is further analysed in the current Report.
- (35) As Figure 1 shows, there are 23 "certainly" congested IP sides (nine caused by auction premia³², 14 due to non-offers in 2016). Breaking down the congestion results according to the criteria of paragraph 2.2.3.1 a) – d) of the CMP GL, the following can be observed:
- Criterion a): Auction premia for at least three monthly products occurred at four IP sides (one exit, one entry and one bundle)³³.
 - Criterion b): As in the previous reports, auction premia for at least two quarterly products for use within the front gas year (i.e. 2016/17) did not trigger any contractual congestion.
 - Criterion c): Auction premia for at least one gas yearly product occurred at five IP sides (three exits, one bundle)³⁴.
 - Criterion d): No firm capacity product with duration of one month or more has been offered at 14 IP sides (in addition to the 55 identified IP sides, for which only the Gas Year 2017/18 was not offered in 2016).
- (36) For seven³⁵ IP sides labelled as "close to be congested", auction premia occurred at a lower frequency than the threshold determined in the CMP GL, namely either once or twice per monthly product. In the 2015 report, only three IP sides were detected facing a comparable situation.

³¹ 10% of technical capacity has to be set aside for offers not earlier than in the auctions for quarterly products.

³² To further specify, at two IPs (VIP Pirineos (FR→ES) and Liaison Nord Sud (N→S, FR) auction premia occurred for bundled capacity products and congestion is therefore marked for both IP sides of each IP. However, actual congestion is normally triggered only by one of the two sides of an IP, although having an effect on the bundle and thereby on both sides. Taking into account these aspects, one could argue that the occurrences of congestion are only caused by 21 (instead of 23) IP sides. However, for a consistent statistic at IP side level, the auction premia for bundles are "double counted" (i.e. considered as having occurred on both sides, as it cannot always be clearly identified, which side "caused" the congestion).

³³ 4 vs. 2 instances in the previous report.

³⁴ 5 vs. 3 instances in the previous report.

³⁵ At the IP Oberkappel (NCG→AT), auction premia occurred for bundled products only, but are marked – and accounted for - on both sides of the IP (see previous footnote).

- (37) 162 IP sides (~2/3 of the 247 IP sides within the scope of the CMP GL – cf. section 2.1) were not found to be contractually congested in 2016.
- (38) 17 of the 23 “certainly” congested IP sides in 2016 were already found congested in 2015, and 11³⁶ of those also in 2014. Considering also the “formally congested” IP sides (i.e. 23+55), then 29 of the 78 IP sides had already been indicated as congested in the last congestion report (covering 2015) and 17³⁷ of those 29 also in the previous congestion report (covering 2014).
- (39) The distribution of the 23 “certainly” congested IP sides across IP types is depicted in Figure 2 below. Most congestion is detected at cross-border IP sides, which also represent the majority of IP sides within the CMP GL scope list. Six in-country cross-zonal IP sides, as well as five IP sides with third-countries (non-EU countries)³⁸ and two IP sides (of one) virtual IP constitute the remaining congested IP sides.

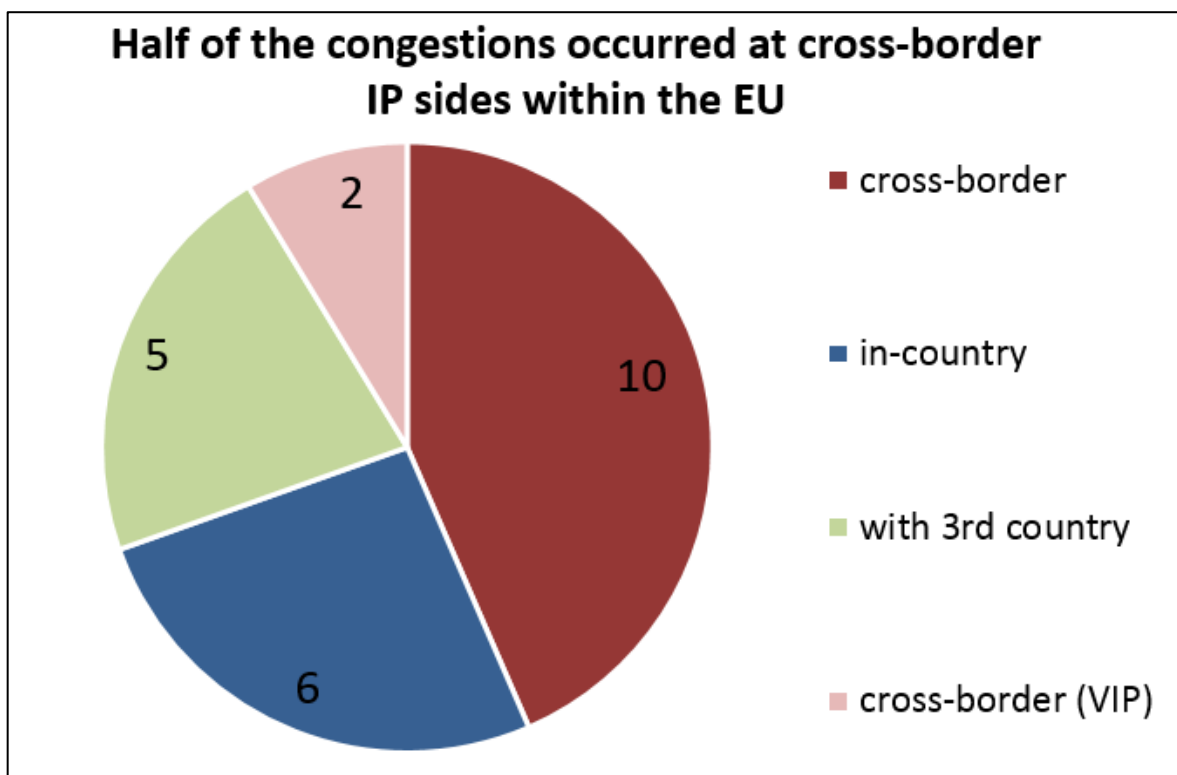


Figure 2: Breakdown of 23 congested IP sides by IP type

³⁶ Plus 1 IP side considered “close to be congested” in 2014.

³⁷ Plus 1 IP side considered “close to be congested” in 2014.

³⁸ The congestion analysis shows that at least 2 further IP sides with non-EU countries are contractually congested. However, as NRA have not (yet) decided or have decided not to apply the CMP GL at those IP sides, they are not further considered in this report.

4.2 Extent of congestion at IP level: unsuccessful requests

- (40) At IPs where all capacity products are offered via auctions, the indicator for demand exceeding offer can easily be derived from the emergence of auction premia, whereby the volume of “unsuccessful requests” can be calculated by subtracting total allocated capacities from total demanded capacities at the reserve price. The unsuccessfully requested capacity amounts show to what extent an IP side is contractually congested.
- (41) Only at six out of the 23 congested IP sides unsuccessful requests were reported on the ENTSOG’s TP. At the same time, the PRISMA auction reports revealed auction premia (and therefore unsuccessful requests) for four IP sides and two bundles (covering four IP sides). The RBP auction report showed a premium for another IP side: this leads to a total of 9 IP sides characterised by unsuccessful requests. The reporting on ENTSOG’s TP, which does not cover all auction premia and resulting unsuccessful requests yet, should be improved.
- (42) The majority of unsuccessful requests at the nine IP sides occurred for monthly products (20 occurrences), followed by gas yearly products 2016-19 (6 occurrences) and one quarterly product. The largest volumes have been requested at the North-South link in France. A detailed table showing the volumes / extent of unsuccessful requests based on the auction reports is provided in Annex 2.

4.3 Analysis of offer and use of interruptible capacity and instances of interruptions

- (43) Interruptible capacity was offered at 20 of the 23 IP sides³⁹ for which contractual congestion was identified. As indicated in Figure 3 below, interruptible capacity was (partially) booked at more IP sides for use in 2017 and Q4/2016 than in the earlier quarters of 2016. Interruptible capacity for use in 2018 was only (partially) booked at four of the congested IP sides⁴⁰. For three congested IP sides (Negru Voda II & III exits of Transgaz, Romania to Bulgaria and Tarvisio exit of Snam Rete Gas, Italy to Austria⁴¹) no interruptible capacity was offered for use in 2016. According to ENTSOG’s TP, interruptible capacity was also not offered at the two mentioned IP sides of Transgaz for use in 2017 or 2018.

³⁹ Contractual congestion identified for 2 bundled IPs are accounted for as having occurred for each (of the 4) IP sides involved.

⁴⁰ Status as of mid-April 2017 (checked on ENTSOG’s TP).

⁴¹ According to the Italian NRA, the capacity was offered as interruptible for use in 2016, 2017 and 2018 at the Tarvisio exit. Due to construction works ongoing until 2018 at Tarvisio exit and in order to guarantee the supply of Northern Italy, capacity products were offered only as interruptible capacity, given the current status of the project. The works will be terminated in 2018. By that time, Italy will be ready to offer up to 40 mcm/d export capacity to Northern Europe.

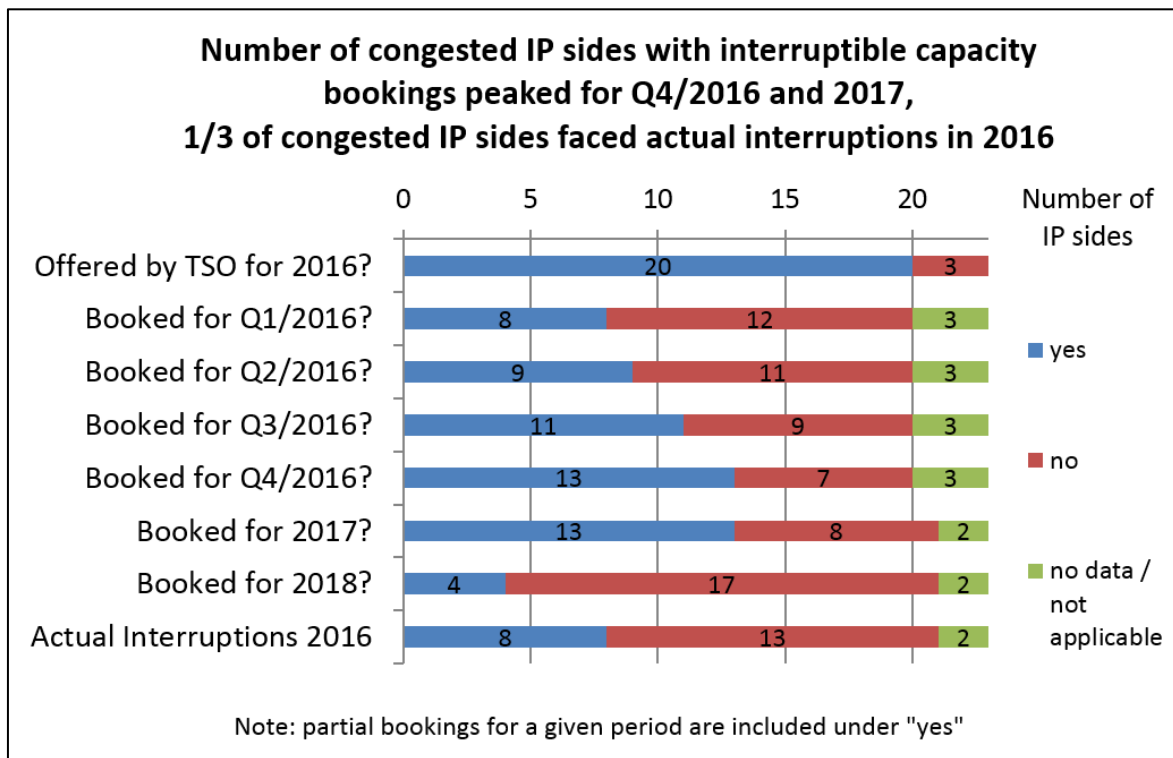


Figure 3: Interruptible capacity offer, bookings & interruptions at the congested IP sides in 2016

- (44) Besides the occurrence of unsuccessful requests for firm capacity, the booking(s) of interruptible capacity can be used as an indicator for capacity demand exceeding the technical capacity, namely for contractual congestion, under the assumption that those who booked interruptible capacity would have preferred firm capacity⁴².
- (45) Actual interruptions of nominated interruptible capacity mostly occurred at contractually congested IP sides with substantially or even fully⁴³ booked interruptible capacity, which may, in some cases, indicate the existence of (temporary) physical congestion⁴⁴. Such instances of possible physical and contractual congestion have been observed at eight IP sides (for a total number of 262 instances). For most of those IP sides (at least partial) interruptions occurred for a limited number of days in 2016, ranging from one to 23 days, but also in more severe cases up 39 days (Oberkappel, Germany to Austria)⁴⁵ and even 158 days (Liaison Nord → Sud, within France)⁴⁶. More details can be found in Annex 4.

⁴² For 3 German IP sides - next to the 3 IP sides where no interruptible capacity was offered - (cf. Annex 4 results table) existence of contractual congestion as defined in Article 2(21) of Regulation (EC) No 715/2009 could not be ultimately proven, because no indication could be found whether demand exceeded the technical firm capacity, despite the fact that condition d) of CMP GL 2.2.3(1) was fulfilled. That means that neither an unsuccessful request was reported, nor was interruptible capacity booked (at least temporarily / partly), nor an auction premium occurred.

⁴³ A "full" booking requires interruptible capacity to be offered in predefined amounts.

⁴⁴ The assessment did not distinguish reasons for interruptions, which could also include planned interruptions due to maintenance.

⁴⁵ For comparison : The number of days where interruptions of nominated interruptible capacity occurred in 2015 was 73 at this IP side.

⁴⁶ For comparison: 56 days in 2015.

5 Secondary Trading and application of CMPs

5.1 Secondary capacity trading at congested IP sides

- (46) Based on PRISMA Secondary and the direct reporting of secondary trade data by TSOs to the Agency for the possibly congested IP sides, data availability - and with it the oversight of activities on the secondary market - has further increased compared to last year's report. Nevertheless, the number of congested IP sides for which secondary capacity was traded remained relatively low (7 out of 23).
- (47) The concluded trades on PRISMA Secondary (for 6 IP sides) and RBP (1 IP side) are summarised in Figure 4. Most trades were concluded for Mosonmagyaróvár (Entry FGSZ, 128 non-standard "other" products of a duration of one month or longer) and for Wallbach (Exit OGE, 21 monthly products, 33 "other" products and 1 Gas Year product), demonstrating a vivid secondary market for capacity at these IP sides. TSOs did not report further bilateral "Over-the-Counter" trades for the 23 congested IP sides. However, secondary trade information was made available for 9⁴⁷ of the 55 IP sides for which no firm offer of the Gas Year 2017/18 was found on the primary market.

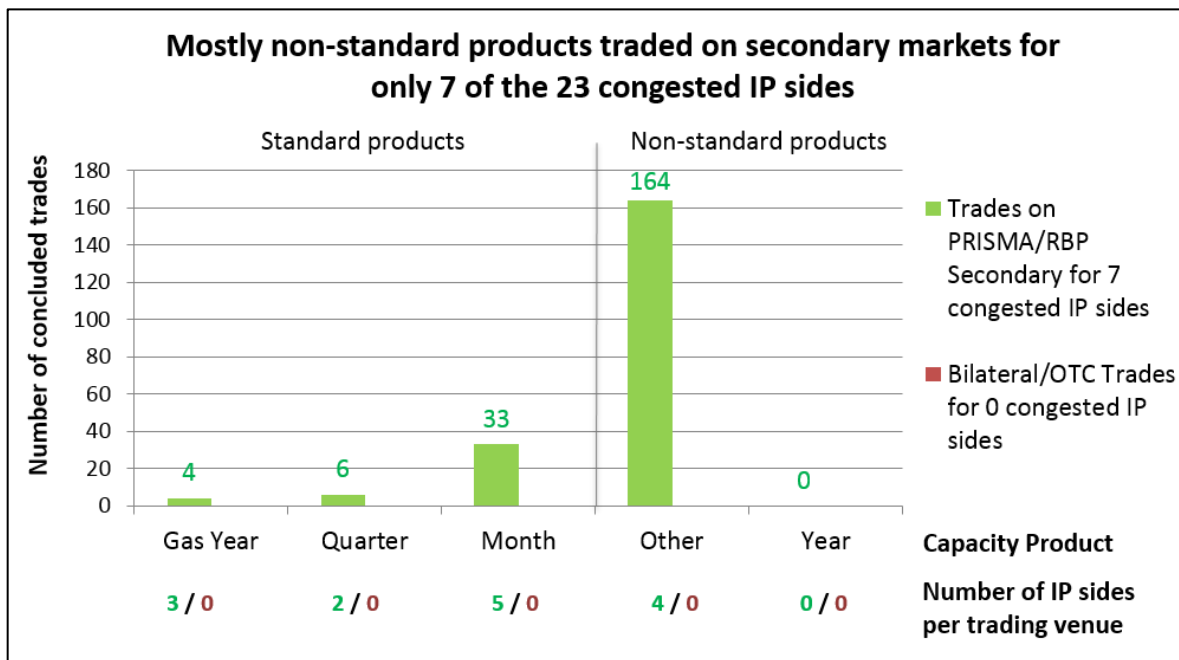


Figure 4: Concluded trades on secondary capacity markets for the 23 congested IP sides

- (48) PRISMA Secondary seems to be increasingly used as a trading platform by shippers. For the 23 congested IP sides, only unbundled capacity was traded on PRISMA Secondary in 2016. From the group of standard firm capacity products, predominantly monthly products have been traded for five of the 23 congested IP sides on PRISMA Secondary. The possibility to trade non-standard capacity products⁴⁸ remains an important advantage of the secondary markets and was used on 36 occasions for three of the congested IP sides on

⁴⁷ Trades were reported on PRISMA Secondary for 4 IP sides and TSOs reported bilateral / OTC trades for 5 IP sides.

⁴⁸ With diverse durations starting from several consecutive days to several months.

PRISMA and on 128 occasions for one IP side on RBP. Further details on the activities on secondary markets, such as the products, volumes and periods traded, offered or requested are presented in Annex 4 (and in the respective complete data set available through a download-link provided there).

5.2 Application of CMPs

- (49) According to ENTSOG's TP data⁴⁹, the overall CMP application instances - and therefore days for which additional capacities were offered – has further increased.
- (50) Figure 5 shows the number of days⁵⁰ for which additional capacity was offered through the various CMPs at all IP sides. While the Long-Term Use-It-Or-Lose-It (LT UIOLI) mechanism has still not been applied, the (daily) instances of FDA UIOLI, which was only applied at the German and Austrian IP sides⁵¹ in 2016, has further increased compared to the previous years⁵². Most of the reported FDA UIOLI offers⁵³ - both in total numbers and capacity amounts – occurred at the borders of NCG⁵⁴, which encompasses more entry and exit IP sides than any of the other two market areas (Gaspool and Austria) where FDA UIOLI was applied in 2016.

⁴⁹ The analysis in this chapter is solely based on publicly available CMP data from ENTSOG's Transparency Platform. There may be TSOs that have applied CMPs in the past, but data was/is not published on ENTSOG's TP.

⁵⁰ In case of capacity offers beyond a day's duration (e.g. months), the longer periods have been converted into useable days of the respective calendar year.

⁵¹ 10 concern Austrian IP sides, 65 concern German IP sides (within the scope of the CMP GL). In Italy, FDA UIOLI is applicable since April 2016, but no additional capacity made available through this mechanism was reported on the ENTSOG TP. FDA UIOLI is also applicable at specific Czech IP sides as from 1 January 2017.

⁵² This may (partly) be explained by an "improved" reporting by OGE to ENTSOG's TP for FDA UIOLI data, which was fully implemented in October 2015.

⁵³ The FDA UIOLI data (capacity made available) is reported by OGE on ENTSOG's TP multiple times, i.e. via overlapping periods (instead of 1 value for each gas day as reported by all other TSOs applying FDA UIOLI). As this makes an efficient data analysis impossible, a clean data set in a usable format was requested by ACER via BNetzA. OGE provided that data set on 21 April 2017.

⁵⁴ NetConnect Germany = largest market area / entry-exit zone in Germany.

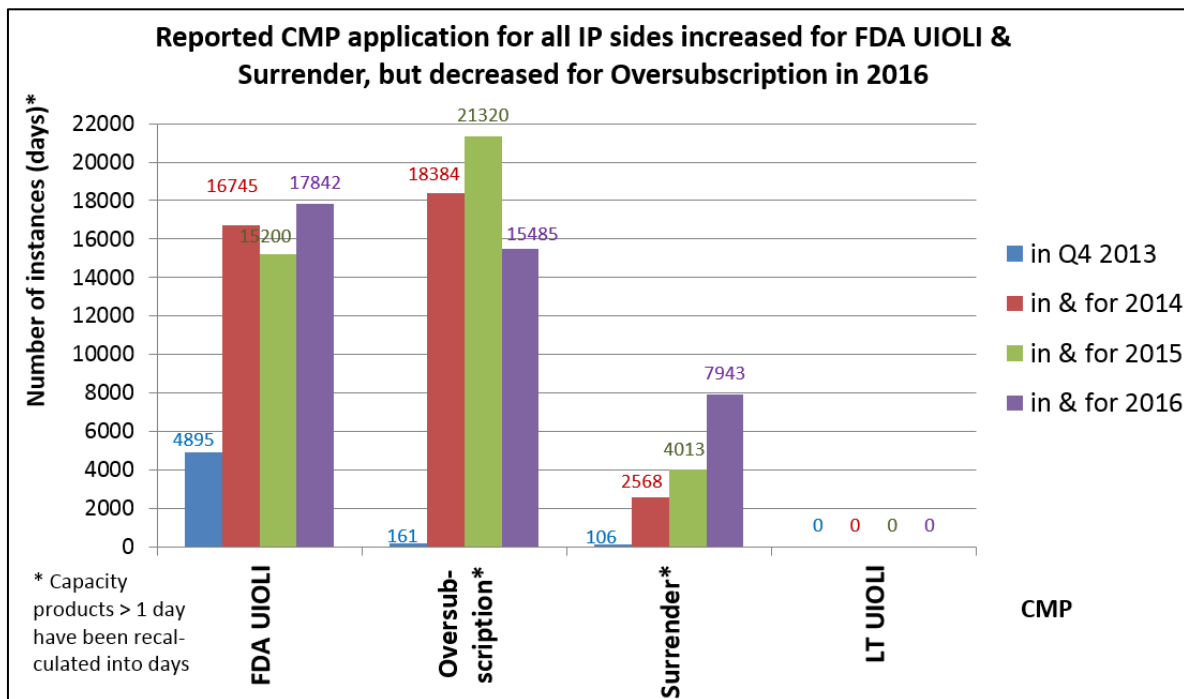


Figure 5: Development of CMP application (occurrences reported on ENTSOG's TP for all IP sides)

- (51) The extent of application of oversubscription has slightly decreased in 2016⁵⁵ compared to the previous year; almost all reported applications still concern IP sides of the Dutch TSO GTS⁵⁶.
- (52) The number of days for which capacity products were surrendered during 2016⁵⁷ for use in that year almost doubled as compared to 2015. Again, the majority of products and amounts were surrendered at Dutch IP sides.⁵⁸
- (53) The CMP application in 2014, 2015 and 2016 leading to an additional offer of capacity at congested and non-congested IP sides is compared in Figure 6. While the number of IP sides for which capacity was offered through oversubscription⁵⁹ was almost the same in 2015 and 2016 (-2), the application has not reduced the number of contractually congested IP sides (since oversubscription was not applied at the IP sides found congested), but it may have prevented contractual congestion at some of the other IP sides.

⁵⁵ 15,485 days for which capacity has been made available via OS in 7050 instances (applications).

⁵⁶ Further applications of oversubscription have only been reported for IUK & UK IP sides, and French IP sides. However, in terms of capacity amounts made available via OS, 93.2% (as compared to 99.6% in 2015) of total amounts concern Dutch IPs. The latter is explained by a revenue sharing mechanism, which was put in place by the Dutch NRA (ACM), which entitles the Dutch TSO (GTS) to keep 50% of the additional revenues made through oversubscription and buy-back. The IUK and UK IP sides account for 6.5% of total capacity made available via oversubscription, the French IP sides (from DE and BE) only 0.3%.

⁵⁷ 7,943 days for which capacity has been made available via Surrender in 901 instances (applications). The information on whether the surrendered capacity has been actually reallocated to another shipper is not reported.

⁵⁸ 69.5% of amounts concern the Dutch IP sides, 22.3% IUK, 5.7% Austrian, 2.1% German and 0.3% Belgian, 0.1% Polish IP sides.

⁵⁹ Actual buy-backs of oversubscribed capacity were not assessed in this report.

- (54) At 10 IP sides where the FDA UIOLI mechanism is applied, congestion was identified in 2016 (-1 as compared to 2015). Although the FDA UIOLI mechanism cannot resolve the contractual congestion for products beyond the day, it increases the amount of FDA capacity available to the market, supporting spot market price convergence even in the reverse flow direction at unidirectional IPs.
- (55) The increased number of IP sides⁶⁰ where the FDA UIOLI mechanism led to additional capacity offers in 2016 (compared to 2015) may be explained by the improved data reporting to ENTSOG's TP. Still for 34 CMP relevant IP sides, no "capacity made available via FDA UIOLI" was reported on the ENTSOG's TP. Reasons for this may include the non-application of the FDA UIOLI mechanism due to the 10% threshold⁶¹, the absence of contractual congestion and/or missing data on ENTSOG's TP⁶².

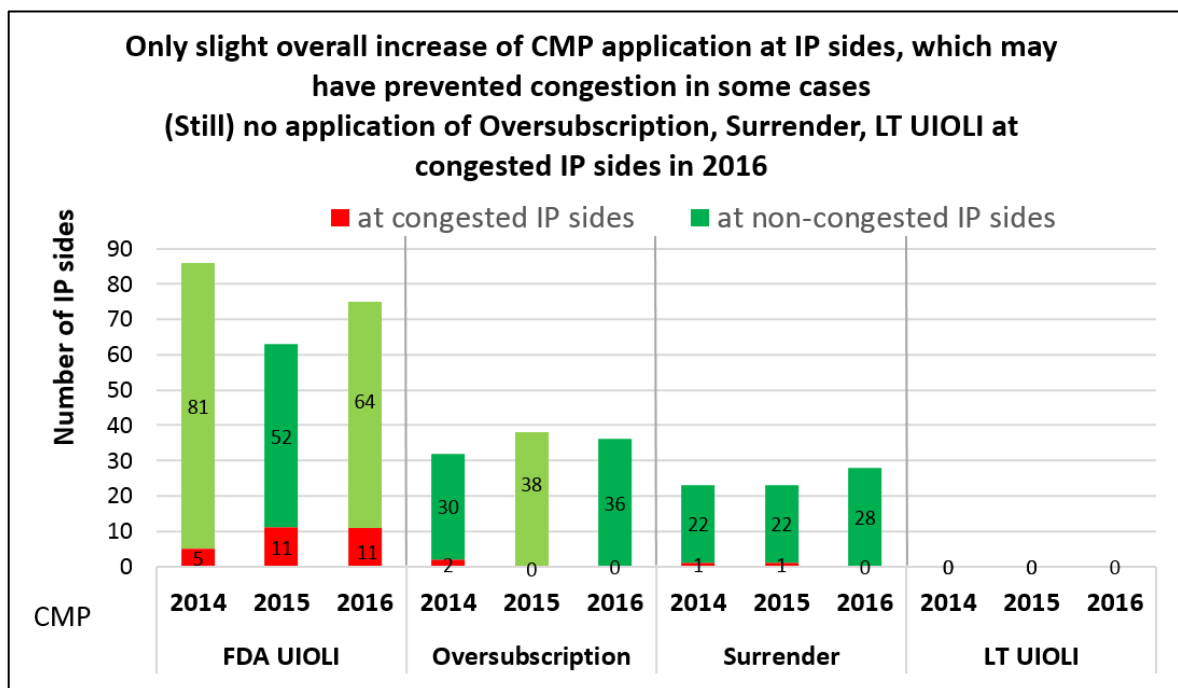


Figure 6: Development of the number of congested vs. non-congested IP sides for which CMPs have led to additional capacity availability

- (56) For three congested German IP sides (Brandov/OPAL LBTG exit, Greifswald LBTG entry and RC Basel terranets exit) no data on capacity made available via the FDA UIOLI mechanism is reported on the ENTSOG's TP. However, FDA UIOLI mechanism is leading to additional firm capacity offers at RC Basel (exit terranets) and to firm (DZK) capacity at Greifswald/Lubmin (entry LBTG) implicitly contained in the information on available firm

⁶⁰ For 75 out of 109 eligible German and Austrian IP sides (within the scope of the CMP GL), FDA UIOLI data was reported on ENTSOG's TP. FDA UIOLI data was also reported for another 11 German IP sides (outside the scope of the CMP GL) and for the 3 German IP sides with Poland, which were merged to a VIP on 1 April 2016.

⁶¹ According to the CMP GL 2.2.3.5, the nomination restriction does not apply to network users holding less than 10% of the average technical capacity in the preceding year. This means, that if a high number of network users has booked capacity at an IP, the FDA UIOLI mechanism cannot yield any additional capacity offers.

⁶² FDA UIOLI data may for example not have been submitted by all TSOs to the ENTSOG TP for all respective IP sides in 2016 (or are not reported twice - for different EIC IP codes - in case the respective IP sides is connected with more than one TSOs (i.e. IP sides) on the other side of the IP).

capacity on ENTSOG’s TP and also in the day-ahead capacity offers at PRISMA. At Brandov/OPAL (exit LBTG) no capacity was offered via PRISMA in 2016⁶³. The individual reasoning for the non-publication of the relevant data in the CMP section of ENTSOG’s TP for the mentioned IP sides should be investigated and followed up by Bundesnetzagentur.

- (57) The analysis of (average daily) capacity amounts made available via CMPs in Figure 7 shows that additional offers occurred only in seven Member States⁶⁴. This might partly be explained by missing or incomplete CMP data submission of TSOs to ENTSOG’s TP, but it is more likely that CMPs (in particular the oversubscription method) have still not been applied by all the TSOs in 2016. This includes the congested IP sides, where the oversubscription has not yielded any additional capacity offer.

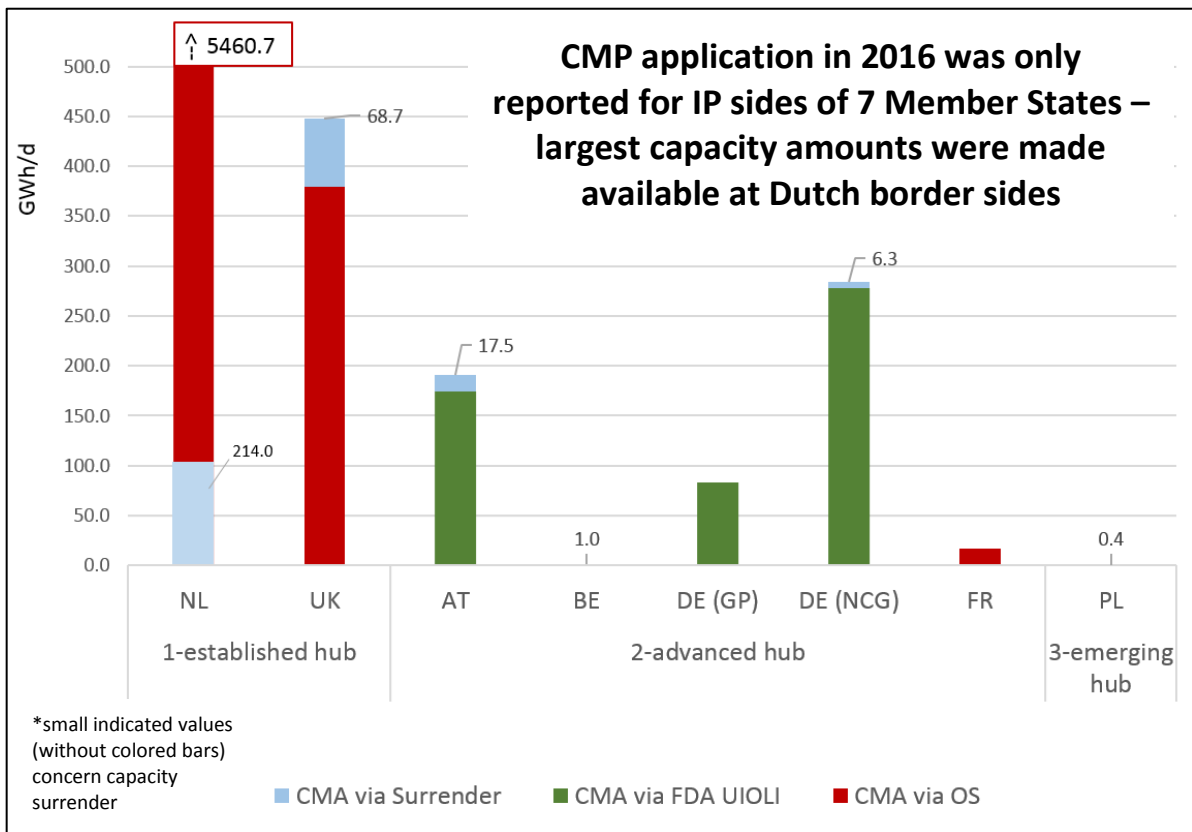


Figure 7: Capacity made available [averaged GWh/d] via CMPs in the EU (according to ENTSOG’s TP data)

- (58) Annex 3 gives an overview of the average capacity made available in 2016 via the various CMPs at each of the congested IP sides for which data reported was greater than “0”. Annex 4 shows for each of the 23 congested IP sides, whether capacity was made available via CMPs or not. Whether and to which extent any capacity released by CMPs was booked cannot be determined, since publications of capacity offers (at the booking platforms) and of capacity bookings (at the ENTSOG’s TP) do not differentiate the origin of the offered capacity.

⁶³ Exempted from regulation pursuant to a BNetzA decision from 2009.

⁶⁴ AT, BE, DE, FR, NL, PL, UK.

6 Supplement A: Results of the 2017 annual yearly auctions

- (59) In order to complement the congestion analysis with the latest available data, the Agency has also looked into the occurrences of auction premia and potentially persistent non-offers of firm products at the recent annual yearly and month-ahead auctions. In early March 2017, annual yearly capacity auctions and month-ahead auctions (for the April 2017 product) were run (among other day-ahead and within-day auctions) at the three existing booking platforms GSA, PRISMA and RBP.
- (60) The analysis of the respective March auction results revealed no auction premia at the RBP and GSA platforms. At the PRISMA platform⁶⁵, however, auction premia / unsuccessful requests for the April 2017 product and the Gas Yearly products 2017/18 and 2018/19 occurred, but only for the bundled firm products at the in-country French IP Liaison Nord Sud in the direction from North to South. With the expected zone merger in France in 2018, the contractual congestion will disappear.
- (61) Continued existing contractual congestion was confirmed by a persistent non-offer of the firm Gas Year 2017/18 product and the month-ahead (April 2017) products on the PRISMA platform at 9 IP sides already found congested for the year 2016 due to the non-offer of firm products for use in 2016⁶⁶. On RBP, the non-offer of the firm products persisted for three IP sides. For 9 other PRISMA IP sides, where (only) the Gas Year 2017/18 product was not offered in 2016, the non-offer of the same product (and the April 2017 product) persisted. The same is true for two further IP sides, which were indicated as “close to be congested” in 2016. Potentially, quarterly products and/or at least one monthly product may still be offered in the course of 2017 for use in 2017/18, which would lead to a classification of the respective IP side as “non-congested”⁶⁷.
- (62) It is noteworthy that the March 2017 auction reports have not been screened for all IP sides within the scope of the CMP GL for any non-offer of yearly or monthly products. Only those IP sides have been checked for which the current assessment (based on 2016 data) suggested a congested situation according to the CMP GL criteria. The full assessment will be part of the next years’ assessment and congestion report, which will cover all auctions run in 2017.
- (63) The detailed results can be found in the [Technical Annex to the Report](#).

⁶⁵ And in the respective March auction report published in April 2016.

⁶⁶ In all but one case (i.e. RC Basel, exit terranets), also no other firm products (≥ 1 month) for use in 2017/18 were offered in 2016.

⁶⁷ For instance, for VIP Iberico, the March 2017 auctions was marked by offers of Gas Year 17/18 and the results of said auction showed no congestion. For the bundled product PT-ES direction there was no demand and for the bundled ES-PT all demanded capacity was allocated at the reserve price (38% of the offered capacity was demanded and allocated at reserve price). At VIP Pirineos, some shorter-term capacity remained unbooked in 2016 and the capacity was allocated without premium during March 2017, showing that the French and Spanish markets are sufficiently interconnected. At this IP, TSOs will implement OSBB procedures in 2017.

7 Supplement B: Results of the 2016 day-ahead auctions

- (64) Another additional element, which may facilitate the NRA's decision to enforce the FDA UIOLI application at specific contractually congested IP sides, is the occurrence of auction premia at day-ahead level in 2016.
- (65) The analysis of the three booking platforms' auction reports for day-ahead auctions has revealed the following:
- 34 IP sides⁶⁸ within the scope of the CMP GL exhibited auction premia for at least one day-ahead product.
 - The highest number of occurrences of day-ahead auction premia were found at the following IP sides:
 - Oberkappel, Entry AT (273 occurrences)
 - Liaison Nord->Sud, Exit GRTgaz (147 occurrences)
 - Oberkappel, Exit DE (OGE) (97 occurrences)
 - Überackern, Entry AT (71 occurrences)
 - Brandov, Entry CZ (49 occurrences)
 - Mosonmagyaróvár, Exit AT (49 occurrences)
- (66) Considering that most of these IP sides are covered by either the expected zone merger in France in 2018 or the FDA UIOLI already applied at Austrian and German IP sides, an FDA UIOLI application also at the Czech entry point in Brandov should be considered. According to recent information from the Czech NRA, the FDA UIOLI mechanism is already applicable at this IP side since 1 January 2017.
- (67) The detailed results can be found in the [Technical Annex to the Report](#).

⁶⁸ Out of the 34 IP sides, in 2016 seven IP sides were already found congested, seven were “formally congested” (no Gas Year 2017/18 offered), five were “close to be congested” and 15 not congested.

8 Conclusions and recommendations

8.1 Conclusions and implications

- (68) Compared to last year's report, in which 41 congested IP sides (17% of the 246 IP sides) were identified, the level of congestion has decreased to 23 IP sides⁶⁹ (~9% of the 247 IP sides within the scope of the CMP GL), should the 55 IP sides where the Gas Year 2017/18 has not been offered be disregarded. A full assessment of the potential improvement could be made for the 55 IP sides in the Agency's report of next year.
- (69) For the 23 contractually congested IP sides listed in Annex 4⁷⁰, the FDA UIOLI mechanism should be implemented pursuant to paragraphs 2.2.1.4 and 2.2.3.1 of the CMP GL⁷¹.
- (70) The FDA UIOLI mechanism is already applied at 13 of these 23 IP sides⁷². This means that at the remaining 10 contractually congested IP sides (cf. Annex 5), the respective NRA shall require the relevant TSO(s) to implement and apply the FDA UIOLI mechanism, unless it is shown that a congested situation is unlikely to reoccur in the following three years. These IP-sides currently have not implemented and applied Oversubscription and Buy-Back rules since October 2013⁷³, and according to ENTSOG's TP data there was no capacity made available via any of the CMPs in 2016. The NRAs should investigate the reasons for non-application of CMPs, in particular for those IP sides which were found congested already in previous reports. The full implementation and application of CMPs - even as a preventive measure at potentially congested IP sides - should be facilitated, monitored and enforced by the respective NRAs.
- (71) The map in Annex 6 may assist in determining whether the contractually congested IP side is the only one connecting two entry-exit zones, which may make a congested situation even more critical in terms of restricting the free flow of gas across the Union.
- (72) The existence of "capacity hoarding" cannot be checked in this Report, as, in order to do so, individual shipper data on capacity utilisation would be needed, which is not publicly available. Such data could be requested by NRAs from TSOs or network users and based on the Agency's findings and detailed data sets accessible in this Report, the NRAs could complete the analysis, as necessary.

⁶⁹ 21 instances of detected contractual congestion, consisting of 19 congested IP sides and 2 congested bundled products (with 2 IP sides each).

⁷⁰ 3 congested IP sides with a third country, for which currently none of the respective NRAs have (yet) decided to apply the CMP GL on the EU side, are excluded and not part of the list.

⁷¹ Annex I of the Regulation 715/2009 amended by European Commission by the Decision of 24 August 2012.

⁷² In 2016, the FDA UIOLI mechanism was only applied at German and Austrian IP sides. According to the Czech and Italian NRAs, the FDA UIOLI is also applicable at specific Czech IP sides since the beginning of 2017 and at specific Italian IP sides since April 2017.

⁷³ Paragraph 2.2.1 (4) of the CMP GL requires TSOs to implement an OS & BB scheme by 1 October 2013. Paragraph 2.2.3 (6) allows – under certain conditions – to refrain from implementing OS & BB, if the FDA UIOLI mechanism is applied. For the 10 remaining IP sides, no capacity was reported on ENTSOG's TP as "capacity made available via CMPs" (incl. OS & BB), which may hint to the non-implementation or non-application or absent/faulty data reporting.

8.2 Recommendations on data availability and consistency and on transparency

Recommendations for TSOs, ENTSOG and NRAs

- (73) On the basis of the experience gained in producing this Report, the Agency formulates the following recommendations to NRAs, ENTSOG and TSOs, in order to improve data availability and consistency and, ultimately, transparency.
- Progress has been made on data availability and transparency at ENTSOG TP in relation to the transport data required for this Report.
 - On improving data quality, allowing for automated data processing and making the data available at one single platform the progress was limited:
 - ENTSOG/TSOs shall ensure that **auction results with premia** (in particular from PRISMA) and data on **all non-available capacity products** are uploaded on the ENTSOG's TP, as required by the CMP GL.
 - **The consistent use of EIC codes** and the alignment of **IP names and format ("unique identifier"⁷⁴)** used for the NC CAM scope listed IPs on both ENTSOG's TP and on booking platforms should be made available by TSOs and ENTSOG to enable efficient and automated data processing for all stakeholders.
 - ENTSOG shall **adapt and publish the CAM/CMP IP scope list recently updated** by the Agency **on its TP**.
 - ENTSOG's TP should aim to incorporate information on **bundled capacities**⁷⁵.

8.3 Policy recommendation

Recommendations to the European Commission

- (74) On the basis of the experience gained in producing the congestion reports and as a result of the discussions following the Agency's public consultation of the "congestion indicators" in September 2016⁷⁶, the Agency formulates the following recommendations to the European Commission:

⁷⁴ An IP side can be uniquely identified only with a combination of the following: IP name, TSO, direction, connected TSO.

⁷⁵ Currently, some commercial information on capacity products (e.g. on bundling and the level of firmness and allocability of firm capacity) is not available on the ENTSOG TP. Such data is only publicly accessible through the reporting of the three booking platforms. In order to fully comply with CMP GL's obligation to report on auction premia on the ENTSOG TP, at least an indicator on whether the auction premia occurred for bundled or unbundled capacity products is necessary. For the future it would be desirable to have a single platform for all public gas transport data related to CAM, CMP, Balancing and tariff data to enable stakeholders to efficiently access all the required information in a harmonised form(at).

⁷⁶ http://www.acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2016_G_01.aspx

- The Commission may consider amending the CMP GL to review how the full effectiveness of the CMP measures can best be achieved, in particular if CMPs are applied as a preventive measure⁷⁷, before contractual congestion occurs⁷⁸.
- In addition, more flexibility with regard to the application of FDA UIOLI is desired and requested by a number of NRAs. Instead of “automatically” applying the FDA UIOLI in case of contractual congestion, the concerned NRAs may first consider the other parameters assessed in this report - the use of interruptible capacity, secondary capacity markets, extent of unsuccessful requests, existence of contractual congestion at the day-ahead level - before a duly-reasoned decision on the FDA UIOLI application is taken. On the other hand, where the oversubscription and buy-back scheme has not been implemented, the automatic application of FDA UIOLI may be considered.

(75) Further, the following recommendations from last year’s congestion report are still valid and restated:

- The Commission may consider **aligning criterion d)** of paragraph 2.2.3(1) of the CMP GL with the other congestion criteria. The current reading of criterion d) considers an IP side not congested, if at least one month was offered out of 12 months in the preceding year’s rolling monthly auction procedures. However for a point which is contractually not congested, all the 12 monthly products⁷⁹ are offered in the auctions without auction premia.

Alternatively, criterion d) could be aligned with the timeframes of criteria b) or a) as follows: “At least 6 [but minimum 3] monthly products should be offered at an IP in order for it not to be considered contractually congested.

- With respect to paragraph 2.2.1 of the CMP GL, the Commission may consider clarifying:
 - a) **until when** the Agency shall produce congestion reports (or under which conditions the reports are not required anymore);
 - b) an **implementation period** for the FDA UIOLI mechanism, if congestion is identified at IP sides only after 1 July 2016 and the respective NRA has decided to require the TSO to implement and apply the FDA UIOLI mechanism.
- The Commission may also consider to extend the **scope of `contractual congestion`** to the **day-ahead timeframe** between hubs (requiring the Agency to assess auction premia and the non-offer of firm DA products at a cross-zonal level), which could then also result in an obligatory application of the FDA UIOLI mechanism at IPs/VIPs/IP sides between the corresponding market areas, to promote a short-term gas market price convergence.
- In addition, it should be further clarified that Article 6 of Regulation (EU) No 984/2013 regarding the joint method to maximise capacity and the dynamic approach to capacity **(re-)calculation, takes priority over the application of oversubscription** in the yearly, quarterly and monthly timeframe.

⁷⁷ At least at those IP sides which are found `potentially` or `close to be` congested, or where the TSOs can anticipate any risk for contractual congestion occurring.

⁷⁸ Normally, contractual congestion (i.e. demand exceeding the offer) only becomes clearly evident once the auction for a certain product has started and the accumulated amounts bid for exceed the offered amount. In such a case it is already too late to resolve this particular congestion (for a certain standard product at this IP) with the help of CMPs.

⁷⁹ No quota applies for monthly products.

Annex 1: List of abbreviations

Acronym	Definition
ACER	Agency for the Cooperation of Energy Regulators
CAM	Capacity Allocation Management (Gas)
CEGH	Central European Gas Hub (gas hub in Austria)
CMP	Congestion Management Procedures (Gas)
DZK	Dynamically allocable capacity
E/E	Entry/exit
EC	European Commission
ENTSOG	European Network of Transmission System Operators for Gas
EU	European Union
FDA UIOLI	Firm Day-Ahead Use-It-Or-Lose-It
FZK	Freely allocable capacity (firm)
IP	Interconnection Point
LT UIOLI	Long-Term Use-It-or-Lose-It
NC	Network Code
NCG	Net Connect Germany (one of Germany's gas hubs)
NRA	National Regulatory Authority
OS & BB	Oversubscription and Buy Back
SUR	Surrender of Capacity
TP	ENTSOG's Transparency Platform
TSO	Transmission System Operator

Annex 2: Unsuccessful requests at congested IP sides in 2016

Network Point (EXIT)	Network Point (ENTRY)	TSO (EXIT)	TSO (ENTRY)	Direction	Unsuccessful requests [volumes] in 2016 kwh/d calculated from PRISMA/RBP reports (demand-offer) x 24h/d	Unsuccessful requests [Product] M = Month in 2016 GQ = Gas Quarter GY = Gas Year	Booking platform
North South Link [North]	North South Link [South]	GRTgaz	GRTgaz	BUNDLE	28920000	M-08	PRISMA
North South Link [North]	North South Link [South]	GRTgaz	GRTgaz	BUNDLE	96805032	M-09	PRISMA
North South Link [North]	North South Link [South]	GRTgaz	GRTgaz	BUNDLE	115756848	M-10	PRISMA
North South Link [North]	North South Link [South]	GRTgaz	GRTgaz	BUNDLE	142699416	M-12	PRISMA
North South Link [North]	North South Link [South]	GRTgaz	GRTgaz	BUNDLE	202550712	M-01-2017	PRISMA
Oberkappel	Oberkappel DE->AT	Open Grid Europe GmbH	GAS CONNECT AUSTRIA GmbH	BUNDLE	44586528	M-07	PRISMA
Oberkappel	Oberkappel DE->AT	Open Grid Europe GmbH	GAS CONNECT AUSTRIA GmbH	BUNDLE	30720000	M-10	PRISMA
PIRINEOS	PIRINEOS	TIGF	Enagas Transporte S.A.U.	BUNDLE	20989704	M-01-2017	PRISMA
PIRINEOS	PIRINEOS	TIGF	Enagas Transporte S.A.U.	BUNDLE	16152	GY 16/17	PRISMA
	Baumgarten (AT>SK)		eustream, a.s.	ENTRY	52463016	M-12	PRISMA
	Brandov OPAL (GER->CZ)		NET4GAS, s.r.o.	ENTRY	1792440	M-09	PRISMA
	MOSONMAGYAROVAR		FGSZ	ENTRY	5745480	M4	RBP
	MOSONMAGYAROVAR		FGSZ	ENTRY	1023168	M-5	RBP
	Mosonmagyaróvár (AT>HU)		FGSZ Zrt.	ENTRY	9333480	M-9	RBP
	Mosonmagyaróvár (AT>HU)		FGSZ Zrt.	ENTRY	6525936	M-12	RBP
	PIRINEOS		Enagas Transporte S.A.U.	ENTRY	72	GY 16/17	PRISMA
Oberkappel		Open Grid Europe GmbH		EXIT	35780016	M-02	PRISMA
Oberkappel		GRTgaz Deutschland GmbH		EXIT	7199976	M-02	PRISMA
Oberkappel		Open Grid Europe GmbH		EXIT	64470384	M-03	PRISMA
Oberkappel		GRTgaz Deutschland GmbH		EXIT	19040376	M-03	PRISMA
Oberkappel		Open Grid Europe GmbH		EXIT	21264	M-05	PRISMA
Oberkappel		Open Grid Europe GmbH		EXIT	7528776	GQ-4	PRISMA
Steinitz		ONTRAS Gastransport GmbH		EXIT	24	GY 16/17	PRISMA
Überackern 2		bayernets GmbH		EXIT	8400000	GY 18/19	PRISMA
Überackern 2		bayernets GmbH		EXIT	8400000	GY 17/18	PRISMA
Wallbach		Open Grid Europe GmbH		EXIT	5630664	GY 17/18	PRISMA
ZEVENAAR		Gasunie Transport Services B.V.		EXIT	28824	M-04	PRISMA
Out of CMP scope:	Remich		Creos Luxembourg S.A.	ENTRY	26709600	GQ-2	PRISMA
Out of CMP scope:	Remich		Creos Luxembourg S.A.	ENTRY	26709600	GQ-1	PRISMA

Annex 3: Capacity made available at congested IP sides through the application of CMPs

IP type	IP name/ location	IP side / Direction	TSO1	Country1	to / from	Connected TSO2	Connected country2	CMP capacity made available [average cap. made available in 2016 for use in 2016 via			
								OS	FDA UIOLI in GWh/d	SURRE NDER	LT UIOLI
cross-border	Kulata (BG) / Sidirokastron (GR)	Exit	Bulgartransgaz	BG	to	DESFA	GR	0	n/a	0	0
cross-border	Kulata (BG) / Sidirokastron (GR)	Entry	Bulgartransgaz	BG	from	DESFA	GR	0	n/a	0	0
in-country	Kienbaum	Exit	GASCADE Gastransport	DE - GP	to	Open Grid Europe	DE - NCG	n/a	0.218360656	0	0
cross-border	Opal (DE)/Brandov Opal (CZ)	Exit	LBTG	DE - GP	to	NET4GAS	CZ	n/a	0	0	0
in-country	Steinitz	Exit	ONTRAS	DE - GP	to	Open Grid Europe	DE - NCG	n/a	1.105420962	0	0
3rd country	Greifswald	Entry	Fluxys Deutschland	DE - GP	from	Nordstream AG	RU	n/a	0.071312262	0	0
3rd country	Greifswald	Entry	LBTG	DE - GP	from	Nordstream AG	RU	n/a	0	0	0
cross-border	Eynatten 2 (BE) // Lichtenbusch / Raeren (DE)	Exit	Fluxys TENP	DE - NCG	to	Fluxys Belgium	BE	n/a	2.026465574	0	0
cross-border	Oberkappel	Exit	Open Grid Europe	DE - NCG	to	Gas Connect Austria	AT	n/a	1.795878164	0	0
3rd country	RC Basel	Exit	terranets bw	DE - NCG	to	Gasverbund Mittelland AG	CH	n/a	0	0	0
cross-border	Überackern SUDAL (AT) / Burghausen (DE) (2)	Exit	bayernets	DE - NCG	to	Gas Connect Austria	AT	n/a	9.025463306	0	0
3rd country	Wallbach	Exit	Fluxys TENP	DE - NCG	to	FluxSwiss/Swissgas	CH	n/a	7.980735803	0	0
3rd country	Wallbach	Exit	Open Grid Europe	DE - NCG	to	FluxSwiss	CH	n/a	11.02750964	0	0
in-country	Kienbaum	Entry	Open Grid Europe	DE - NCG	from	GASCADE Gastransport	DE - GP	n/a	0.27295082	0	0
in-country	Steinitz	Entry	Open Grid Europe	DE - NCG	from	ONTRAS	DE - GP	n/a	1.603368131	0	0
cross-border (VIP)	VIP PIRINEOS	Entry	Enagas	ES	from	TIGF	FR	0	n/a	0	0
in-country	Liaison Nord Sud (N-->S)	Exit	GRTgaz	FR	to	GRTgaz	FR	0	n/a	0	0
cross-border (VIP)	VIP PIRINEOS	Exit	TIGF	FR	to	Enagas	ES	0	n/a	0	0
in-country	Liaison Nord Sud (N-->S)	Entry	GRTgaz	FR	from	GRTgaz	FR	0	n/a	0	0
cross-border	Mosonmagyaróvár	Entry	FGSZ	HU	from	Gas Connect Austria	AT	0	n/a	0	0
cross-border	Tarvisio (IT) / Arnoldstein (AT)	Exit	Snam Rete Gas	IT	to	TAG	AT	0	n/a	0	0
cross-border	Negru Voda III (RO) / Kardam (BG)	Exit	Transgaz	RO	to	Bulgartransgaz	BG	0	n/a	0	0
cross-border	Negru Voda II (RO) / Kardam (BG)	Exit	Transgaz	RO	to	Bulgartransgaz	BG	0	n/a	0	0

Annex 4: Indicative list of 23 contractually congested IP sides within the scope of the CMP GL

Congestion triggered by...	IP name/ location	IP side / Direction	EIC / identifier for IP	TSO1	Country1	to / from	Connected TSO2	Interruptible offered?	Interruptible booked ('15-'17)?	Interruptions?	Rep. unsuccessful requests?	CMP application?	Secondary cap. Trading on PRISMA / RBP?	Congested in Q4/13?	Congested in 2014?	Congested in 2015?	add-on: non-offer or premia March 2017?	add-on: # of day with premia in DA auctions in 2016?
no firm offers	Kulata (BG) / Sidirokastron (GR)	Exit	0020C	Bulgartransgaz	BG	to	DESFA	yes	P	yes 18	no	no	none	yes	yes	yes	yes	no
no firm offers	Kulata (BG) / Sidirokastron (GR)	Entry	0020C	Bulgartransgaz	BG	from	DESFA	yes	P	yes 18	no	no	none			no	no	no
no firm offers	Kienbaum	Exit	01078I	GASCADE Gastransport	DE - GP	to	Open Grid Europe	yes	no	no	no	yes	none	no	yes	yes	yes	no
no firm offers	Opal (DE)/Brandov Opal (CZ)	Exit	0242V	LBTG	DE - GP	to	NET4GAS	yes	no	no data	no	no	none	no	yes	yes	yes	no
AP for 1 GY	Steinitz	Exit	0237O	ONTRAS	DE - GP	to	Open Grid Europe	yes	P	yes 2	yes	yes	none	yes	no	yes	no	no
no firm offers	Greifswald	Entry	0255M	Fluxys Deutschland	DE - GP	from	Nordstream AG	yes	P	no	no	yes	none	yes	yes	yes	no	no
no firm offers	Greifswald	Entry	0241X	LBTG	DE - GP	from	Nordstream AG	yes	no	no data	no	no	none	no	yes	yes	yes	no
no firm offers	Eynatten 2 (BE) // Lichtenbusch / Raeren (DE)	Exit	0174M	Fluxys TENP	DE - NCG	to	Fluxys Belgium	yes	P	no	no	yes	none	yes	no	yes	yes	no
AP for 5 Ms + 1 Q)	Oberkappel	Exit	0001G	Open Grid Europe	DE - NCG	to	Gas Connect Austria	yes	P	yes 39	yes	yes	13 T	no	yes	yes	no	79
no GY 16/17, no months/quarters offered	RC Basel	Exit	0253Q	terranets bw	DE - NCG	to	Gasverbund Mittelland AG	yes	P	no	no	no	2T	no	no	yes	yes	no
AP for 2 GYs	Überackern SUDAL (AT) / Burghausen (DE) (2)	Exit	01240	bayernets	DE - NCG	to	Gas Connect Austria	yes	P	yes 23	no	yes	none	yes	no	yes	no	5
no firm offers	Wallbach	Exit	01216	Fluxys TENP	DE - NCG	to	FluxSwiss/Swissgas	yes	P	no	no	yes	7T	yes	close	yes	yes	10
AP for 1 GY	Wallbach	Exit	01232	Open Grid Europe	DE - NCG	to	FluxSwiss	yes	P	no	yes	yes	55 T			no	no	no
no firm offers	Kienbaum	Entry	01078I	Open Grid Europe	DE - NCG	from	GASCADE Gastransport	yes	P	no	yes	yes	none	no	yes	yes	yes	no
no firm offers	Steinitz	Entry	0237O	Open Grid Europe	DE - NCG	from	ONTRAS	yes	P	yes 1	yes	yes	none	yes	no	yes	yes	no
AP for 1 GY + 1 M (bundled)	VIP PIRINEOS	Entry	0285D	Enagas	ES	from	TIGF	yes in Q4	P	no	yes	no	1T			no	no	7
AP for 5 Ms (bundled)	Liaison Nord Sud (N→S)	Exit	0166L	GRTgaz	FR	to	GRTgaz	yes	yes (>70%)	158	yes	no	none	yes	yes	yes	yes (AP)	147
AP for 1 GY + 1 M (bundled)	VIP PIRINEOS	Exit	0285D	TIGF	FR	to	Enagas	yes	P	no	yes	no	1T			no	no	7
AP for 5 Ms (bundled)	Liaison Nord Sud (N→S)	Entry	0166L	GRTgaz	FR	from	GRTgaz	yes	no	no	no	no	none	no	yes	yes	yes (AP)	no
AP for 4 Ms	Mosonmagyaróvár	Entry	0003C	FGSZ	HU	from	Gas Connect Austria	at not always	P	yes 3	no	no	128 T			no	no	30
no firm offers	Tarvisio (IT) / Arnoldstein (AT)	Exit	0004A	Snam Rete Gas	IT	to	TAG	no	P	no	no	no	none			no	yes	no
no firm offers	Negru Voda III (RO) / Kardam (BG)	Exit	0303O	Transgaz	RO	to	Bulgartransgaz	no	no data	no	no	no	none	no	yes	yes	yes	no
no firm offers	Negru Voda II (RO) / Kardam (BG)	Exit	03022	Transgaz	RO	to	Bulgartransgaz	no	no data	no	no	no	none	no	yes	yes	yes	no

The comprehensive collection of all related data, as well as the detailed results of the analysis of all IP sides are available for [download](#) on [ACER's website](#)

Key:

Colour Code:

- Red = negative
- Green = positive
- Orange = in between positive and negative
- White = no data

Text:

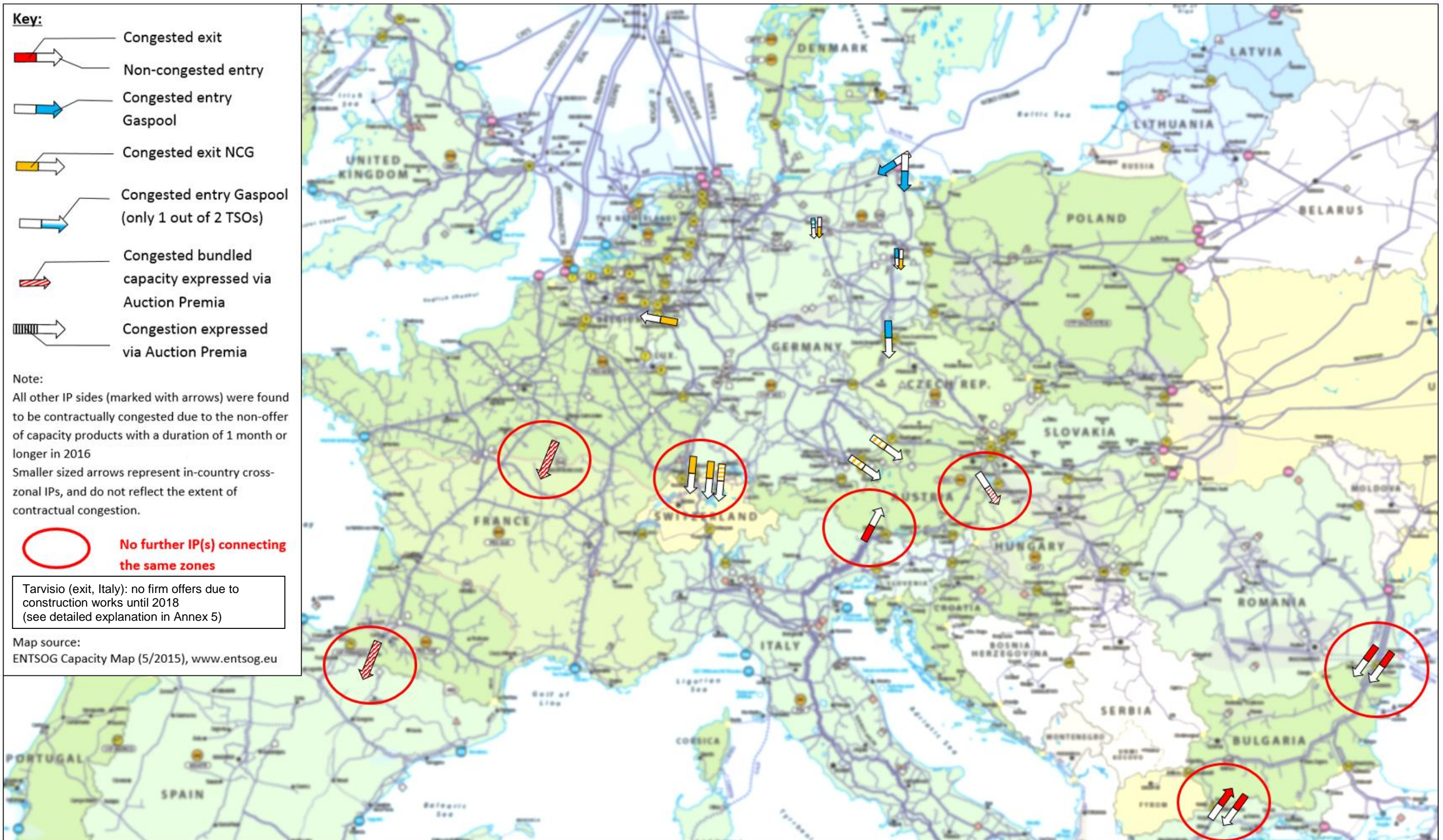
- yes / no = are to be seen as answers to the questions raised in the table's header
- p = partially
- np = not possible
- T = Trade
- O = Offer
- AP = Auction Premium
- CMP application? = Was any capacity made available through the application of CMPs (and reported on ENTSOG's TP)?

Annex 5: List of the IP sides for which NRAs should require the FDA UIOLI application

The list shows the congested IP sides, for which the FDA UIOLI mechanism needs to be implemented according to para. 2.2.3(1) of the CMP GL, unless it is shown that a congested situation is unlikely to reoccur in the following three years.

Congestion triggered by...	IP name/ location	IP side / Direction	EIC / identifier for IP	TSO1	Country1	to / from	Connect ed TSO2	Interruptible offered?	Interruptible booked (% '17)?	Interruptions?	Rep. unsuccessful requests?	CMP application?	Secondary cap. Trading on PRISMA / RBP?	Congested in Q4/13?	Congested in 2014?	Congested in 2015?	add-on: non-offer or premia in March 2017?	add-on: # of day with premia in DA auctions in 2016?	NRA comments / justification
no firm offers	Kulata (BG) / Sidirokastron (GR)	Exit	020C	Bulgartransgaz	BG	to	DESFA	yes	p	yes 18	no	no	none	yes	yes	yes	yes	no	
no firm offers	Kulata (BG) / Sidirokastron (GR)	Entry	020C	Bulgartransgaz	BG	from	DESFA	yes	p	yes 18	no	no	none			no	no	no	
AP for 1 GY + 1 M (bundled)	VIP PIRINEOS	Entry	285D	Enagas	ES	from	TIGF	yes in Q4	p	no	yes	no	1T			no	no	1	CBE 12.4.17: see exit TIGF
AP for 5 Ms (bundled)	Liaison Nord Sud (N-->S)	Exit	166L	GRTgaz	FR	to	GRTgaz	yes	yes (>70%)	158	yes	no	none	yes	yes	yes	yes (AP)	147	CBE 12.4.17: Regarding the premium at the North South link, I think it is worth recalling that the congestion will disappear with the zone merger in France in 2018
AP for 1 GY + 1 M (bundled)	VIP PIRINEOS	Exit	285D	TIGF	FR	to	Enagas	yes	p	no	yes	no	1T			no	no	7	CBE 12.4.17: for the gas year 2016/2017 there was a premium during the March 2016 auctions. Premia appeared at the Spanish unbundled entry side of VIP Pirineos (Enagas) from France (premium: 1,566 ct/kWh/h/runtime, only 3 kWh/h unfulfilled demand) as well as the bundled firm product of exit TIGF (France) and entry Enagas (Spain) (premium: 7,544 ct/kWh/h/runtime, 673 kWh/h unfulfilled demand) for the gas year product GY 2016/17. Both the volumes of capacity allocated with a premium and the premium itself are very small and, in addition, at this virtual IP, some shorter-term capacity remains unbooked in 2016 and the capacity was allocated without premium during March 2017, showing that the two markets are sufficiently interconnected. At this IP, TSOs will implement OSBB procedures in 2017.
AP for 5 Ms (bundled)	Liaison Nord Sud (N-->S)	Entry	166L	GRTgaz	FR	from	GRTgaz	yes	no	no	no	no	none	no	yes	yes	yes (AP)	no	CBE 12.4.17: Regarding the premium at the North South link, I think it is worth recalling that the congestion will disappear with the zone merger in France in 2018
AP for 4 Ms	Mosonmagyaróvár	Entry	003C	FGSZ	HU	from	Gas Connect Austria	not always	p	yes 3	no	no	120 T, 150 Q+R			no	no	30	
no firm offers	Tarvisio (IT) / Arnoldstein (AT)	Exit	004A	Snam Rete Gas	IT	to	TAG	no	p	no	no	no	none			no	yes	no	Autorita 28.3.17: reasons for non-offer of firm capacity (IT->AT): Tarvisio IP is part of a bigger investment project aimed at supporting the possibility to create new export capacity from the Italian market to Northern Europe (a 2016 PCI project). The first phase of the above project was finalized in 2015 with the creation of an initial export capacity of 5M Sm ³ /d at Passo Gries. The second phase started in 2016 with the objective of increasing the export capacity at the Northern Italian border up to 40 MSm ³ /d by 2018 (exit capacity at Passo Gries will be 40M maximum and up to 22 MSm ³ /d with a simultaneous exit flow at the Tarvisio exit point of 18 MSm ³ /d). Works are underway to allow the creation of the above capacities, this is why last year at Tarvisio Exit were offered just as "Interruptible transportation capacity" available with a physical inlet flow or a physical flow equal to zero at Passo Gries. In particular, the capacity was offered as "interruptible" to guarantee the supply of the Northern Italy region as, given the current status of the project, it is not possible to supply that Region with a simultaneous export from the 2 IPs. Firm capacity and FDA UIOLI application at this IP side is expected for 2018.
no firm offers	Negru Voda III (RO) / Kardam (BG)	Exit	3030	Transgaz	RO	to	Bulgartransgaz	no	no data	no	no	no	none	no	yes	yes	yes	no	
no firm offers	Negru Voda II (RO) / Kardam (BG)	Exit	3022	Transgaz	RO	to	Bulgartransgaz	no	no data	no	no	no	none	no	yes	yes	yes	no	

Annex 6: Map of 23 contractually congested IP sides in Europe (based on 2016 data only)





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