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Implementation Monitoring Report on Congestion Management Procedures (Update 2016)

2016 Update of the first CMP Implementation Monitoring Report (2014)

16 September 2016

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

1 Conclusions and recommendations

(1) The Agency prepared its first implementation monitoring report in 2014 and published it in 2015[1] with a focus on the formal implementation of each of the Congestion Management Procedures ('CMPs') provisions. As the first report exhibited some shortcomings and delayed implementation of CMPs across Member States, an update was necessary.

(2) In the light of the changes of the past two years, the Agency updated the status of implementation in the Members States and performed a new analysis for this Report with the following conclusions and recommendations, largely congruent with the ones provided in the 2014 Report.

(a) No full implementation and limited application of CMPs

(3) While the majority of Member States have meanwhile implemented the CMP Guidelines, the Agency still notes that six Member States[2] have done it only partially (see Table 1).

(4) Both the incomplete implementation and the absence of contractual congestion at the majority of the IPs explain why the actual application of CMPs in Europe was limited during 2015 (with the exception of a significant amount of oversubscription at Dutch IP sides and frequent FDA UIOLI applications at German and Austrian IP sides).

(5) The Agency urges a prompt finalisation of CMP implementation in all Member States to make sure that the procedures are ready for potential cases of contractual congestion and to prevent congestion from occurring.

(b) Dynamic re-calculation of technical and additional capacity to be improved

(6) The dynamic capacity re-calculation of additional (OS&BB) capacity is not implemented in six Member States[3]. This is despite the fact that one of the key responsibilities of the TSOs is to maximise the offer of bookable capacity.

(7) The Agency is of the view that *dynamic recalculation of the technical* capacity is the mean that allows to maximise technical capacity at all times during the year, and not just set upfront based on the yearly flat minimum technical capacity, calculated for individual quarters or months, in line with the provisions of CAM NC and CMP Guidelines.

(8) The Agency is of the view that the dynamic calculation of technical capacity is to be applied *before* oversubscription can be offered for products with a duration longer than a day. In this

[1] ACER implementation monitoring report on Congestion Management Procedures 2014, 1st edition, 13.1.2015: http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20CMP%20Implementation%20Monitoring%20Report%202014.pdf

[2] Bulgaria, Italy, Hungary, Portugal, Romania and Spain,

[3] Croatia, Hungary, Lithuania, Romania, Slovakia and Slovenia. In Lithuania absent congestions and due limited connection to the EU market, the application of the rule will be reconsidered when these circumstances change.

context, for the *additional* capacity offered via OS&BB, the dynamic re-calculations shall be done at a high frequency (daily or at least monthly), thus enabling the TSO to include the most recent information (such as short-term temperature forecasts, expected flows, users nominations, gas qualities, etc.) in its calculation. The Agency is of the view that this will contribute to the maximisation of both the *technical* and *additional* capacity offer.

(c) Surrender products' range to be enlarged in some MSs

(9) While the CMP Guidelines require that all firm standard (or still existent contracted non-standard) products with a duration longer than a day be covered by the surrender mechanism, five[4] Member States are still not compliant.

(10) The Agency requests the respective national regulatory authorities ('NRSAs') to inform the Agency when their transmission system operators ('TSOs') become compliant with this requirement.

(d) Harmonisation of CMP application to be further improved

(11) The results of the Agency's survey update confirm the previous findings that the harmonisation of CMP applications on both sides of IPs remains limited. The only "new" joint implementation project on a coordinated OS&BB in the South Gas Regional Initiative (France, Spain and Portugal) delivered a coordinated approach, but has also led to a delayed application (expected only in April 2017).

(12) The effectiveness of CMPs could improve in the future through further harmonisation and better coordination of the CMP applications at borders where this is not yet the case. This requires a strengthening of the cooperation between neighbouring NRAs and TSOs, based on positive practical experiences and with the aim to reduce multiple interpretations of the CMP provisions.

(e) ENTSOG's Transparency Platform data to be improved

(13) Data quality remains a significant issue and continues to hamper the Agency's efforts to provide proper transparency on the implementation of relevant legal provisions and their effects. Transport and CMP-related transparency data in the ENTSOG Transparency Platform need to be regularly checked and timely updated by TSOs. The Agency urges NRAs to verify that TSO data submission to the Transparency Platform, as well as their reliability, quality and consistency, is adequate, to allow an effective data analysis by the Agency. Additionally, the Agency encourages NRAs to work on data checks, data cleaning and/or additional provision of missing data from TSOs.

(14) Physical flow data was used to calculate the CMP.3 indicator on "utilisation of booked capacities by network users" at aggregate EU level. Data on renominations, which better reflect the economic utilisation of capacities booked by network users, has been used – next

[4] Czech Republic, Ireland, Croatia, Portugal and Slovenia,

to physical flow data - to calculate the CMP.3 indicator at border side level[5]. However, the daily data was not available for all the IP sides throughout the analysed period and erroneous data was also included in the database, which became evident during the calculations. The erroneous and missing data had to be excluded and as a result the indicators came out less robust than intended. To get appropriate results in such analyses, the respective information on ENTSOG's TP needs to be of high quality, reliable and complete.

(15) During the CMP data assessment (also for the purpose of the congestion analysis) and as a result of exchanges with NRAs, it became apparent that not all TSOs[6] have sent the complete CMP data, e.g. on capacity volumes offered through CMP application (per measure), to ENTSOG's Transparency Platform. This needs to be addressed.

(16) The results of the CMP.1 indicator assessment on "CMP capacities made available" therefore do not provide a correct reflection of reality. Improvements can only be achieved if data are correctly and fully reported by all TSOs on all instances of CMP capacities having been made available to the ENTSOG TP.

(17) The Agency stresses the importance of data checks to be performed by ENTSOG / TSOs, *before* the bulk data exports are delivered to the Agency. In addition, the Agency requests the TSOs to use the existing "remarks" section of the ENTSOG Transparency Platform to indicate whether physical flow data and also renominations contain TSO operational actions (and to what extent, e.g. in %).

[5] Using commercial flow data for the CMP.3 indicator calculation would be another better alternative to using physical flow data. However, such data is only available for some IP sides, as its publication is voluntary.

[6] Examples of TSOs not having sent all data to the ENTSOG TP: Interconnector(s) with UK, some German TSOs

2 The report: purpose, scope and data

2.1 Legal basis, purpose and scope of the report

(19) The Commission's Guidelines on Congestion Management Procedures (hereafter, the 'CMP Guidelines')[7] were applicable as of 1 October 2013 at Interconnection Points ('IPs') in the EU[8]. To support their harmonised implementation and application, the Commission published a guidance document[9] in July 2014.

(20) While the legal basis for the annual congestion report[10] is provided in paragraph 2.2.1.2 of the CMP Guidelines, the obligation to report on implementation monitoring is stated in Article 9(1) of Regulation (EC) No 715/2009[11] (the 'Gas Regulation'). According to this article, the Agency shall monitor and analyse the implementation of the Network Codes and the Guidelines adopted by the Commission and their effect on the harmonisation of applicable rules aimed at facilitating market integration, as well as on non-discrimination, effective competition and the effective functioning of the market, and report to the Commission.

(21) Articles 8(8) and 8(9) of the Gas Regulation task ENTSOG with analysing and monitoring the implementation of the Network Codes and Guidelines adopted by the Commission and to make available information to the Agency, facilitating the Agency's reporting tasks.

(22) This Report has four chapters and four annexes. The first chapter covered the Agency's conclusions and recommendations. The current one sets the scope of the report and explains the data sources and methodology applied. Chapter 3 focuses on the updated information on the implementation of the specific CMP Guidelines provisions across the Member States[12], while Chapter 4 contains the first detailed assessment of the CMP specific market monitoring

[7] 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

[8] The IP sides within the scope of the CMP GL have been compiled in a list by ACER & ENTSOG, which is regularly being updated. The version created for the latest ACER annual report on contractual congestion at IPs was published on 31.5.2016:
http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/General_Annexes/20160530_identified%20congestion%202015%20(detailed%20IP%20data).xlsx

[9] EC Staff Working Document on "Guidance on best practices *for congestion management procedures* in natural gas transmission networks", 11 July 2014:
http://ec.europa.eu/energy/gas_electricity/codes/doc/20140711_guidance_congestion_management_ngtn.pdf

[10] Latest ACER annual report on contractual congestion at interconnection points, Period covered: 2015, 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

[11] 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

[12] Four TSOs from Member States with a derogation from the application of the Gas Regulation (Estonia, Finland, Latvia and Luxemburg) were not included in the analysis. Sweden applies no booking procedures at their IP with Denmark and Malta as well as Cyprus have no gas markets yet. Therefore, they do not appear in this review.

indicators. These indicators were developed last year[13] to allow for a quantitative evaluation of the effects of network codes on gas capacity markets. The aggregated version of the above-mentioned indicators as well as their effects on competition and gas market integration are included in the Agency's 2016 Market Monitoring Report.

2.2 Data sources & methodology applied for implementation monitoring

(23) For the CMP implementation monitoring update in Chapter 3, ENTSOG and the Agency ran surveys, at the beginning of 2016, with TSOs and NRAs respectively, in order to update and complement the information gathered in 2014. ENTSOG published its results in its CMP implementation monitoring report[14] and in its annual report[15], covering the TSOs' perspectives.

(24) The NRA questionnaires and responses of the 2014 pilot survey on CMP implementation monitoring were sent back to those 16 NRAs[16] for which 2014 data had been incomplete and/or CMPs had not been fully implemented by 1 October 2014. The NRAs were asked to update and validate the information between December 2015 and March 2016[17] and the information was further amended, where necessary, until early September 2016.

(25) The fourth chapter of the report presents the CMP implementation monitoring indicators calculated on the basis of bulk export files for transport and CMP data from ENTSOG's Transparency Platform[18]. These detailed data were requested by the Agency for each IP side within the scope of the CAM Network Code[19] for each day of the years 2014 and 2015, for the purpose of the annual analysis of contractual congestion at IPs.

(26) The available bulk data were also used to calculate the CMP.1 indicator ("additional capacity volumes made available through each CMP") and the CMP.3 indicator ("aggregate utilisation of contracted capacity at IPs") for 2014 and 2015. This calculation was based on the methodology the Agency consulted and published last year[20]. For the purpose of the

[13] Cambridge Economic Policy Associates Ltd, "Implementation Monitoring and evaluation of the impact of the gas network codes and guidelines on the internal market", October 2015: http://www.acer.europa.eu/en/Gas/Market_monitoring/Documents/CEPA%20FinalReport_Monitoring%20%20Evaluation%20of%20Impacts%20of%20Gas%20NCs_FINAL_Oct'15.pdf

[14] ENTSOG's CMP Implementation Monitoring Report 2015, 8 June 2016: http://www.entsog.eu/public/uploads/files/publications/Implementation%20Monitoring/2016/CAP0646_160209_CMP%20Implementation%20Monitoring%20Report%202015_Final.pdf

[15] ENTSOG Annual Report 2015, 8 June 2016: http://www.entsog.eu/public/uploads/files/publications/AWP%20&%20Annual%20Report/2016/entsog_ar2015_160530_web.pdf

[16] NRAs of Bulgaria, Croatia, Denmark, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden, United Kingdom

[17] Respectively, ENTSOG surveyed its TSO members by resending previous questionnaires from 2014.

[18] https://transparency.entsog.eu/

[19] Commission Regulation (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council, OJ L273/5, 15.10.2013 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:273:0005:0017:EN:PDF

[20] See footnote 13

calculations, the IP sides within the scope of the CMP Guidelines, representing a subset of CAM Network Codes IP sides[21], was applied to the bulk data to filter.

(27) The CMP.2 indicator ("utilisation of contracted capacity at IPs per shipper") is based on individual shipper data, which is available to the Agency through REMIT reporting. The indicator can be calculated only after the data cleaning has been finalised for the REMIT database, which was not the case at the time this report was prepared.

[21] For example, the CMP GL IP list does not include any NC CAM IP sides without any firm technical capacity ("virtual reverse flow IP sides").

3 Results of the CMPs implementation monitoring

3.1 Implementation Status of CMPs

(28) The main outcome of the CMP implementation monitoring update based on the NRA survey - and partially complemented by information from ENTSOG's CMP report - is summarised in Table 1. It shows the Member States' implementation dates for the four CMP measures:

- "Oversubscription & Buy-Back" (OS&BB),
- "Firm day-ahead Use-It-Or-Lose-It" (FDA UIOLI),
- "Capacity Surrender" and
- "Long-term Use-It-Or-Lose-It" (LT UIOLI).

(29) Where implementation dates differ between different TSOs in a single Member State, a separate record is provided in the table.

(30) The table combines OS&BB and FDA UIOLI in one line, as countries so far opted either for one or the other option. Currently, only Austria and Germany have implemented the FDA UIOLI mechanism. The obligation to implement and apply FDA UIOLI at congested IPs as of 1 July 2016 for the points identified in the Agency's "*Annual report on Contractual congestion at IPs*" is expected to lead to further TSOs applying FDA UIOLI from July 2016 on.

Table 1: Status of Implementation of CMP measures in the Member States

Member States	BE[1]	CZ	DE	EL	FR[2]	SI	SK	AT	DK	UK[1]	HR	IE	LT	NL[1]	PL	ICs[1]	ES[2]	HU	IT	PT[2]	BG	RO
OS&BB/FDA																						
SURRENDER																						
LT UIOLI																						

Implementation by the deadline
Implementation in 2014, 2015
Implementation expected in 2016, 2017

ICs: Interconnectors (BBL, IUK, Premier Transmission)

[1] The UK, NL, BE have coordinated the LT UIOLI mechanism including BBL & IUK

[2] The South region (France -Tigf-, Spain and Portugal) intend to apply fully coordinated CMPs by 2017

(31) As can be seen from the table above, to date, the majority of the Member States are by now compliant with the CMP Guidelines, although many became so only after the formal deadline of 1 October 2013.

(32) Bulgaria, Hungary and Romania have not implemented all the CMP rules at their IP sides. Hungary will upgrade its CMP rules by October 2016, but foresees further work, even after that date, to complete its OS&BB design in full. The full implementation in these three Member states may not be finalised before the end of 2016.

(33) Italy completed the implementation of the CMP Guidelines in August 2016 and opted in the end for the application of the FDA UIOLI mechanism.[22] Czech Republic is on its way to adopt FDA UIOLI as well.

(34) For Spain, Portugal and France (TIGF), the full implementation and application date for a jointly agreed method for OS&BB is 1 April 2017[23].

(35) Although currently no mechanism may need to be applied at many IPs due to the absence of contractual congestion, the legal and practical implementation of the rules and IT routines is still essential for the ability to react quickly to a new situation of a (short-term) excess demand for capacity ("preparedness") or even to prevent such instances of contractual congestion from occurring. The aim is to reduce or avoid any negative effects of contractual congestion that may emerge via increased gas market price spreads between hubs exceeding the level of applicable transmission tariffs.

(36) A more detailed analysis of the implementation of each CMP provision can be found in Section 3.3.

3.2 Actual Application of CMPs

(37) A distinction should be made between, firstly, the implementation of rules in the relevant national legal text(s) by Member States / NRAs as well as the implementation of IT routines by TSOs and, secondly, the actual application of these rules and routines.

(38) The actual application of CMPs during 2015 - based on public CMP data accessible on ENTSOG's Transparency Platform[24] - is presented in Figure 1 and was also described in the Agency's latest Congestion Report[25]. Figure 1 shows the average daily capacity[26] made available via surrender, FDA UIOLI and oversubscription. The capacity amounts offered through oversubscription at the Dutch IP sides are an order of magnitude larger than for the UK IP sides (incl. Interconnector). This is mainly due to an incentive regime applied in the Netherlands, which allows the TSO to keep 50% of the extra revenue if oversubscribed capacity is sold.

[22] The FDA UIOLI mechanism will be in place as soon as the TSO updates its network code and IT systems. The TSO is going to consult the users and will send AEEGSI a proposal (subject to NRA approval). Currently an exact date is not yet known. "Voluntary" application means that there is no obligation to apply FDA IUOLI as long as the Italian IPs are not congested (as found in the ACER report). The TSO must apply FDA UIOLI at all its IPs in case of congestion, i.e. for all the gas days of a month for which capacity demand exceeded the offer in the monthly auction.

[23] The CMP GL do not require a coordinated implementation at both sides of IPs.

[24] https://transparency.entsog.eu/#/points/data?points

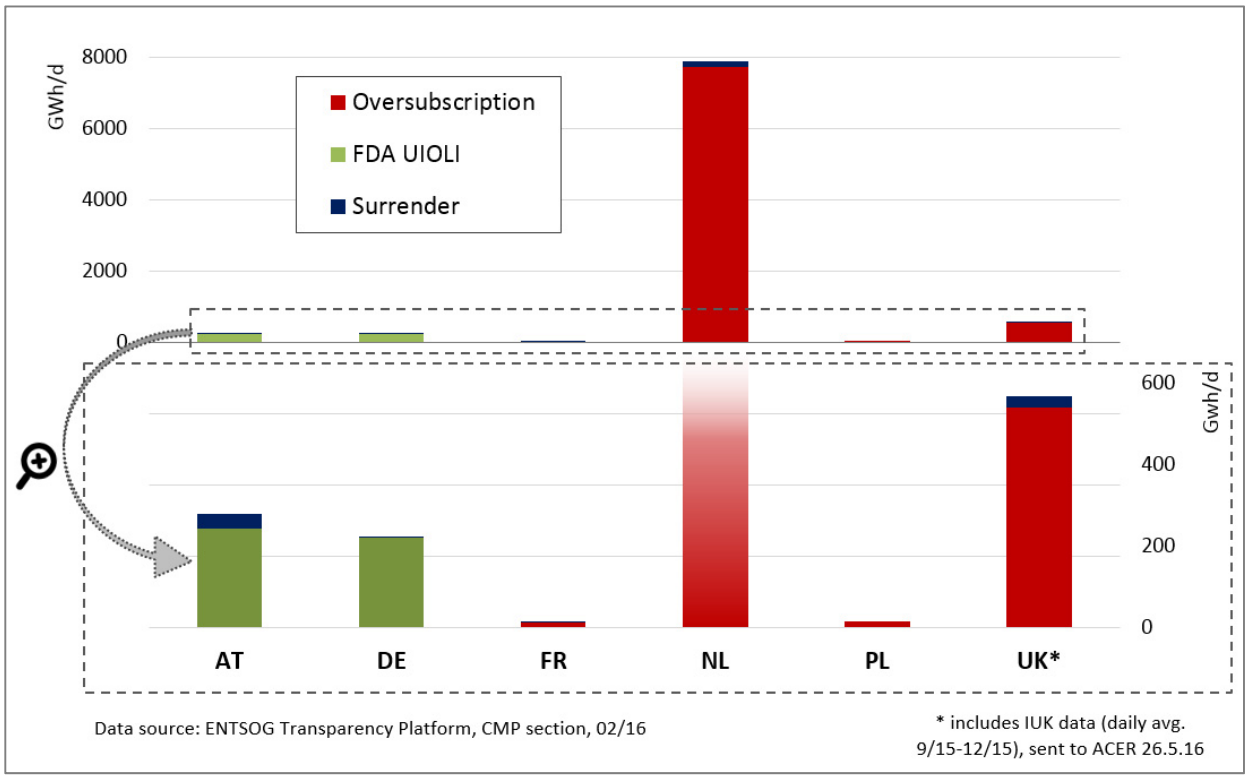
[25] Latest ACER annual report on contractual congestion at interconnection points, Period covered: 2015, 31.05.2016: http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%202016%20Report%20on%20Congestion%20at%20IPs%20in%202015.pdf

[26] All capacity amounts offered for a period of a day and beyond have been aggregated per CMP and then divided by 365 days to arrive at the daily average capacity offer.

(39) The FDA UIOLI application at Austrian and German IP sides also yielded considerable amounts of additional capacity offers, while the surrender mechanism led only to smaller average daily offers. The LT UIOLI has not yet resulted in any additional capacity offers.

(40) The limited application of CMPs in only 6 Member States in 2015 is explained by incomplete CMP implementation, non-existence of contractual congestion at many IPs, and/or incomplete or absent CMP data on ENTSOG's Transparency Platform[27].

Figure 1: Average daily capacity made available via CMPs in 2015 for use in 2015



(41) Table 2[28] compares the CMP application in terms of number of borders and IP sides involved, as well as the total number of days for which CMP capacity was offered. Next to the Dutch dominance in terms of total number of days for which oversubscribed capacity was offered, the Table also shows that at the majority of the IP sides where CMPs were applied, the FDA UIOLI yielded additional capacity offers.

[27] See Chapter 5.2 of the Congestion monitoring report published in May 2015 for further details.

[28] IUK data not reflected in Table 2 is now being provided via the Transparency Platform.

Table 2: CMP application by Member States in 2015 (borders & IP sides involved)

CMP application (number of days for which capacity was offered; products beyond 1 day's duration have been converted into days)	CMP	MS involved	Number of (cross-zonal) borders involved	Number of IP sides involved	Total number of days
	OS	**NL**	7	31	21033
		UK*	2	3	6
		PL	1	2	36
		FR	2	2	145
	BB	**none**	0	0	0
	FDA UIOLI	**AT**	7	11	3799
		DE	17	52	11401
	Surrender	**NL**	6	14	2837
		PL	0	0	0
		UK*	0	0	0
		FR	2	2	58
		AT	3	3	922
		DE	4	4	196
	LT UIOLI	**none**	0	0	0
	Total	**AT, DE, FR, NL, PL, UK**	**51**	**124**	**40433**

* excluding IUK data

3.3 Design of implemented CMPs

(42) This Section reviews the implementation of the main provisions of the CMP Guidelines, based on updated information received from NRAs.

3.3.1 Oversubscription and buy-back

(43) The OS&BB mechanism aims at offering firm capacity to network users on top of the (dynamically) calculated technical capacity in order to remedy or prevent contractual congestion. Oversubscription occurs when such additional firm capacity – offered as standard products of different runtimes - is actually contracted. For such a mechanism to be effective, an incentive regime, as well as a risk assessment and a buy-back scheme, are required in case nominated flows cannot be physically realised and all alternative TSO measures have been exhausted.

(44) Table 3 shows both the standard capacity products on offer and those designed conceptually (but not yet offered to the users) for the OS&BB scheme. The Table indicates that most Member States implemented OS&BB at least for a daily standard capacity product (as a concept or as an actual offer). For now, only six Member States have had actual additional offers for more than two different standard capacity products. In this context, the Agency stresses that dynamic calculation of technical capacity has to be exhausted before oversubscription is offered for products with a duration longer than a day.

(45) The Netherlands and the UK are offering most OS&BB products and at a relatively high frequency, as indicated above. Although nine Member States claim that at least one OS&BB product is already offered, actual offers in 2015 have only been reported on ENTSOG's Transparency Platform for the Netherlands, the United Kingdom, France and Poland.

Table 3: Updates on OS&BB products, as offered or as concept (planned) in the Member States, with a focus on the changes from 2015 to 2016

OSBB products / MS 2015	NL	BG	HR	DK	RO	HU
Yearly				Only upon request	no TSO proposal	no information
Quarterly						
Monthly						
Daily		[1]				
Within-day						

Concept 2015
Concept 2016
Offer 2015
Offer 2016
No data provided

[1] BG: The NRA intended to aprove by July 2016

Note: All coutries in the table have been updated in the 2016 survey

(46) Table 4 shows whether - and if so at which frequency - *additional* capacity amounts are dynamically recalculated so that they can be offered via OS&BB at IPs within the scope of the CMP GL. The red dots added in the Table reflect the changes compared to the similar table in the first CMP Implementation Monitoring Report. For the purpose of the current report, we excluded Czech Republic and Italy from the tables relating to the OSBB design, given that both countries reconsidered their choice and apply or will apply FDA UIOLI.

(47) The majority of TSOs in Member States that have or will have implemented OS&BB apply (or plan to apply) dynamic recalculations of additional capacity on a daily basis. Only the Bulgarian and Greek TSOs as well as the British TSO for the Interconnector "Premier Transmission" (will) recalculate additional capacities on a monthly basis. Croatia, Lithuania, Romania, Slovenia and Slovakia do not apply a dynamic recalculation. Lithuania will consider the application of the measure in the event contractual congestion occurs. For Hungary, no information was reported.

Table 4: OS&BB dynamic capacity recalculation of additional firm capacity by Member States

Dynamic recalculation (DR)	DK[1]	ES[2]	IE	RO	BG	FR[2]	PT[2]	UK[4]	HU	HR[3]	LT[3]	NL	ICs[4]	BE	EL	PL	SI	SK
Monthly					●	●							●		●			
Daily		●	●			●	●	●				●	●	●		●		
Other	●							●										
Not applying DR				●						●	●						●	●

Survey update in 2016
● Changes compared to 1st IMR
No data provided

ICs: Interconnectors (BBL, IUK, Premier Transmission)

[1] ad-hoc, based on capacity request

[2] daily application from 1.4.2017 on for FR(TIGAS), ES, PT

[3] Code requires DR, but currently no need (absent congestion)

[4] NGG: Daily + WD, Premier: monthly; BBL&IUK: daily

(48) Although OS&BB schemes in 12 Member States include an incentive regime as indicated in Table 5, only nine NRAs have decided on the cost and revenue distribution between TSOs and network users (via a change of tariffs). Six countries are not applying an incentive regime, despite the legal obligations of the guidelines, meaning that their implementation is lagging behind.

Table 5: Status of OS&BB incentive regime implementation by Member States

OS&BB design	DK	HR	HU	PT	BG	ES	FR	IE	LT	NL	RO	UK	ICs	BE	EL	PL	SI	SK
Incentive regime in place or expected		●		●	●	●	●	●		●		●	●	●	●		●	
Not applying incentive regime	●		●						●		●					●		●
NRA decision made on revenue and cost distribution		●		●		●	●	●		●		●	●					

Survey update in 2016
● Changes compared to 1.IMR

ICs: Interconnectors (BBL, IUK, Premier Transmission)

(49) In most Member States TSOs (will) allocate additional capacity from OS&BB after all surrendered capacity and capacity derived from the application of LT UIOLI (existing capacity) has been allocated, as required by the CMP Guidelines. For Ireland the implementation of this rule is unclear, as it is for Romania and Hungary, where the decision and implementation of OS&BB rules is still pending.

(50) When determining the amount of additional OS&BB capacity, TSOs shall take into account statistical scenarios for the likely amount of unused capacity, a risk profile for the offering of additional capacity, as well as likelihood and cost estimations for buying back capacity on the market. The TSOs of most Member States follow this rule. Lithuania explained that due to the lack of congestion, it has implemented the principles, but does not apply this rule. For Hungary and Romania as well as Ireland, this information is not available.

(51) In most Member States where OS&BB is implemented, market-based capacity buy-back procedures – often organised as auctions on Booking platforms or capacity tenders – are envisaged, as shown in Table 6. The specific buy-back rules are unclear in six Member States and require amendments to the national gas codes.

Table 6: BB design in the Member States

BB design - role of auction	BG	HU	LT	RO	PT	ICs	DK	ES	FR	HR	IE	NL	UK	BE	EL	PL	SK	SI
Market based / auctions			●[4]		●	●[3]		●	●	●	●	●[1]	●	●	●	●	●	
Unclear or not envisaged	●	●		●	●	●[2]	●											

Survey update in 2016
● Changes compared to 1.IMR

ICs: Interconnectors (BBL, IUK, Premier Transmission)
[1] GTS
[2] BBL, IUK
[3] Premier T.
[4] In Lithuania secondary market (TSO platform) is envisaged for BB and not auctions via Booking platforms.

(52) Some national provisions prescribe specific elements, such as a cap on the maximum buy-back price, and/or a pro-rata curtailment of oversubscribed capacity if the buy-back is unsuccessful.

(53) All responding TSOs applying or planning to apply a buy-back mechanism confirmed that they verify - before the buy-back procedure is applied - whether alternative technical and commercial measures, such as pressure increases or flow commitments, can maintain system integrity in a more cost efficient manner.

(54) Finally, Table 7 shows the frequency of TSO reports to be sent to NRAs concerning the functioning of the OS&BB scheme. While the TSOs of Greece and Poland report upon NRA request only, the majority of TSOs (will) report at least once per year. Six countries as well as the UK for BBL and Premier Transmission are behind as they have not determined yet the reporting frequency.

Table 7: OSBB reporting by Member States

OS&BB scheme - Reporting to the NRA	HU	NL, BBL	RO	PT	BG	IUK, PTL	DK	ES	FR	HR	IE	LT	UK	SK	BE	EL	PL	SI
Regularly: 1-4 times per year		1		●	1	4[A]	1	1	1	2	2	1			1			
Not specified / under discussion	●		●	●	●	●[B]								●				

Survey update in 2016
● Changes compared to 1.IMR

ICs: Interconnectors (BBL, IUK, Premier Transmission)
[A] IUK
[B] Premier T. L (PTL)

3.3.2 Firm day-ahead Use-It-Or-Lose-It

(55) The application of the firm day-ahead use-it-or-lose-it (FDA UIOLI) mechanism involves a restriction of the possibility to modify (renominate) the initial nomination for those network users who booked at least 10% of the average technical capacity at an IP in the preceding year. This restriction only permits firm renominations up to 90% and down to 10% of the contracted capacity by a network user at the IP (instead of up to 100% and down to 0%).[29] Germany and Austria opted for FDA UIOLI from the beginning.

(56) The FDA UIOLI mechanism has to be implemented and applied by 1 July 2016 at those IP sides[30] where the Agency's yearly Congestion monitoring report shows that contractual congestion still occurs regardless of whether OS&BB was applied before. Upon NRA decision, FDA UIOLI can also be applied before that deadline, without having ever applied OS&BB. In that case, an assessment based on paragraph 2.2.3.6 of the CMP Guidelines is required. For example, Italy has recently decided to also apply this mechanism.

(57) As a consequence of the results of the latest ACER Congestion Report, the implementation of the FDA UIOLI mechanisms has been started in the Czech Republic and a public consultation – as part of the legislative process - is currently ongoing. The entry into force of the legislative measure is expected by 1 January 2017, at the latest. The implementation period of one month[31], foreseen by the EU law, turned out to be too short for the transition.

[29] In the event that the initial nomination (a) exceeds 80% or (b) does not exceed 20% of the contracted capacity, half of the non-nominated volume may be re-nominated upwards in case a); and half of the nominated volume may be re-nominated downwards in case b). The restricted part of the contracted firm capacity can still be re-nominated on an interruptible basis by the original capacity holder.

[30] A list of the respective IP sides is provided in Annex 5 of the latest ACER annual report on contractual congestion at interconnection points, Period covered: 2015, 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

[31] from the publication of the latest ACER congestion report on 31.5.16 until 1 July 2016 as indicated in the CMP GL

3.3.3 Capacity Surrender

(58) The surrender mechanism requires TSOs to accept any surrender from a network user of firm contracted capacity products with a runtime longer than a day. This CMP can be seen as an anonymous alternative to the use of the secondary capacity market for the purpose to dispose of unneeded booked capacity. The details of the mechanism are subject to NRA approval.

(59) The terms and conditions[32] of the surrender mechanism for the majority of TSOs have been approved by their respective NRAs, except for Hungary and Bulgaria.

(60) Table 8 displays which firm capacity products can be surrendered in each Member State. In Austria, Belgium, Bulgaria, Denmark, Germany, Greece, France, Italy, Hungary, Lithuania, Poland, Romania, Spain and Slovakia, as well as for the interconnectors with the UK, all products can be surrendered. In five Member States, not all firm standard products with a duration longer than a day are covered by the surrender mechanism. Therefore, those countries are not yet compliant with the CMP Guidelines.

Table 8: Surrender products by Member States

Surrender products / MS	BG	DK	HU	RO	ICs	ES	FR	HR	IE	IT	LT	NL	PT	UK	AT	BE	CZ	DE	EL	PL	SI	SK
Yearly	●	●	●	•	•[1]	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•
Quarterly	●	●	●	●	●	•	•			•	•	•	•	•	•	•		•	•	•		•
Monthly	●	●	●	●	●	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•
Other				●	•			•		•					•			•	•		•	•

Survey update in 2016
● Changes compared to 1st IMR

ICs: Interconnectors (BBL, IUK, Premier Transmission)

[1] Premier T. offers only yearly products; BBL & IUK offer yearly, quarterly and monthly products

(61) NRAs of all Member States confirmed that reallocation of surrendered capacity will only take place once the available capacity is fully allocated. In Hungary, this rule will be implemented as of 1 October 2016.

[32] or at least the principles in the case of Lithuania

3.3.4 Long-term Use-It-Or-Lose-It

(62) The long-term Use-It-Or-Lose-It (LT UIOLI) mechanism calls for the NRAs to require their TSOs to partially or fully withdraw systematically underutilised contracted capacity on an IP from a network user, if that user has not sold or offered its unused capacity on the secondary capacity market. Systematic underutilisation[33] takes place if the network user – without proper justification - uses on average less than 80% of its contracted capacity.

(63) This mechanism requires monitoring of capacity utilisation at network user level. Most NRAs confirmed that relevant data on network user's capacity utilisation is provided to the NRA. Portugal stated that capacity is not contracted for a period beyond one year, thus there is no need for LT UIOLI.

(64) The frequency of relevant data submission to the NRA varied from "upon request" to "quarterly" and is summarised per Member State in Table 9. The Agency notes that a low frequency data submission negatively impacts the efficiency of the measure and that it is good practice to align the timing of the reporting with the yearly auctions.

(65) In 2015, no application of the LT UIOLI measure was reported on ENTSOG's Transparency Platform.

Table 9: LT UIOLI reporting frequency TSO-NRA by Member States

LT UIOLI frequency of data submission / MS	BG	DK	LT	RO	HU	NL	UK	ES	FR	HR	IE	IT	ICs	AT	BE	DE	EL	PL	SI	SK	PT	CZ
Upon request			●	●	●[4]			●						●		●		●		●	N/A -1 GY offered	Initiated by TSO
Once per year	●	●				●			●			●	●[1]									
Twice per year						●	●[3]			●	●		●[2]						●			
Quarterly															●		●					

Survey update in 2016
● Changes compared to 1.IMR
No data provided

ICs: Interconnectors (BBL, IUK, Premier Transmission)
[1] BBL
[2] IUK
[3] NGG
[4] Under implementation, applicable as of 1.10.206

[33] Systematic underutilisation is also considered, when a network user systematically nominated close to 100% of its capacity and renominated downwards with a view to circumvent losing the capacity

4 Evaluation of effects of CMP implementation

(66) This Chapter presents an assessment of the quantifiable effects of the implementation of the CMP Guidelines on capacity offer and capacity utilisation. The delays in CMP implementation in some Member States, as well as the limited practical application of the CMPs, limit the analysis and the interpretation of possible effects.

(67) The CMP indicators "CMP.1" and "CMP.3"[34] presented in this Chapter were developed with the help of a consultant[35]. They were derived and calculated by the Agency on the basis of publicly available data from the ENTSOG Transparency Platform for the years 2014 and 2015[36].

4.1 CMP.1 Additional capacity made available through each CMP

(68) The CMP.1 indicator measures the extent to which capacity is made available to the market through the application of the four CMPs (OS&BB, FDA UIOLI, Surrender, LT UIOLI) on average per day in each calendar year.

(69) For the Agency's monitoring purposes in the area of CMPs and congestion analysis, ENTSOG provided predefined bulk CMP data export files for 2014 and 2015. Those files list, for each individual IP side, any capacity product (with its amount and duration) that was made available through the application of a CMP measure.

(70) The method as well as the detailed results of the indicator calculations are presented in Annex II.

(71) Figures 2 and 3 show the aggregated capacity amounts made available by the individual CMPs at border level for a given flow direction (side). Each bar represents the total average daily capacity amount made available via CMPs in the respective year (for use within that same year) for one border side between two entry-exit zones[37]. The side of the respective border to which the data refers is indicated in the brackets. The bars are grouped by Member State and arranged in descending order of the 2015 values. The Dutch borders are shown separately from the others, as the order of magnitude is different. At the margins of the figure

[34] The CMP.2 indicator ("utilisation of contracted capacity at IPs per shipper") might be assessed in a later stage of the implementation monitoring, once the required individual shipper data is available through REMIT reporting to the Agency.

[35] Cambridge Economic Policy Associates Ltd, "Implementation Monitoring and evaluation of the impact of the gas network codes and guidelines on the internal market", October 2015: http://www.acer.europa.eu/en/Gas/Market_monitoring/Documents/CEPA%20FinalReport_Monitoring%20%20Evaluation%20of%20Impacts%20of%20Gas%20NCs_FINAL_Oct'15.pdf

[36] As data publication on ENTSOG's Transparency Platform only became legally binding from October 2013 on, no full coverage of data for the year 2013 is provided. Therefore, the indicator assessment only starts with 2014 data, for which a full year's data coverage should be available.

[37] If there is more than one physical interconnection point connecting the same entry-exit zone, then all concerned IP sides have been aggregated to form one border "side".

we note that as of 1 November 2015, BBL has offered in the day-ahead forward flow (to the UK) product a constant 0.54 GWh/hour, which was not sold in 2015[38].

Figure 2 Average daily capacity made available by all CMPs jointly at the Dutch border sides in 2014 and 2015

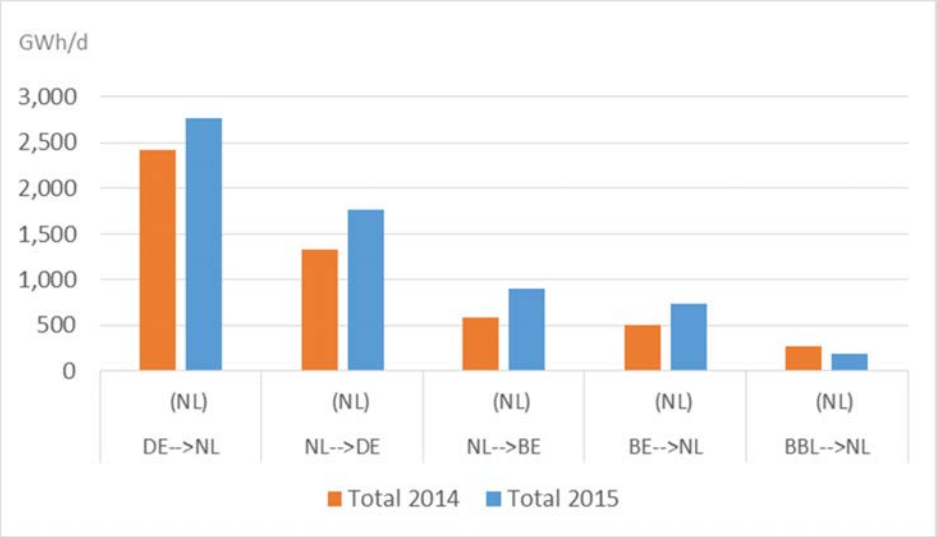
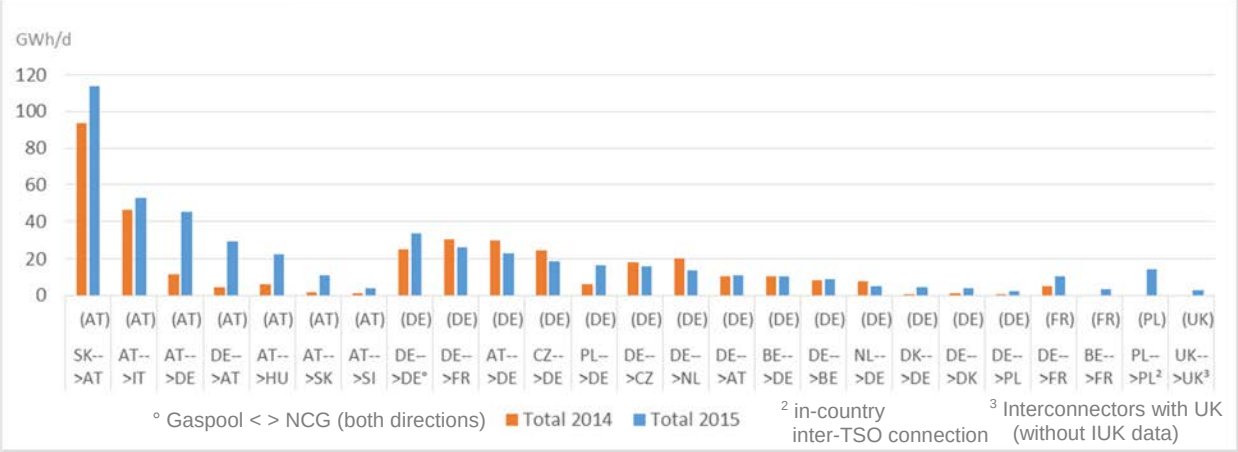


Figure 3 Average daily capacity made available by all CMPs jointly at the remaining border sides in 2014 and 2015



(72) The two figures above show that the Dutch entry and side(s) from and to Germany benefited most in terms of additional capacity amounts offered, with clear increases compared to 2014. The large volumes and the increase can best be explained by the incentive regime put in place

[38] This is 15% of the non-exempted capacity of the pipeline.

by the Dutch NRA for the OS&BB mechanism, allowing the TSO to keep half of the (possible) extra revenues, if the additional capacities are sold.

(73) Lower, but significant capacity offers occurred at the Austrian entry and exit sides, through the joint application of FDA UIOLI and surrender. In contrast, the capacity volumes made available by using jointly FDA UIOLI at the Austrian-German border brought the same or lower values in 2015 compared to 2014. This may be explained by a decrease in capacity demand lowering congestion, an increased number of network users with lower bookings at the respective IPs and not being subject to FDA UIOLI[39], and potentially by missing data reporting by some German TSOs to the ENTSOG Transparency Platform (and its CMP section).

(74) The detailed breakdown of capacity volumes made available per CMP is provided in Annex II. No application of the LT UIOLI measure was reported on ENTSOG's Transparency Platform. The data used to create the charts is incomplete, since at the time of composing this Report not all TSOs[40] had sent all the necessary data to the ENTSOG Transparency Platform.

4.2 CMP.3 Utilisation of contracted capacity at IPs

(75) The CMP.3 indicator describes the ratio of total capacity utilisation over total booked capacity per IP side. While the total booked capacity is the sum of all firm and interruptible capacity bookings (per day), the capacity utilisation could be derived from different parameters reported on the ENTSOG Transparency Platform (like "commercial flow", "renominations", "nominations", "physical flow"). Due to issues with data quality and completeness, the CMP.3 indicators were calculated based on physical flow data, where most data was available, as well as on renominations[41].

(76) The calculations have only been performed for those IP sides within the scope of the CMP Guidelines. To achieve this, the recently developed CMP IP scope list, representing a subset of IPs covered by the Network Code on Capacity Allocation Mechanisms[42], was applied to filter out the CMP relevant IP sides from the bulk transport data export files.

(77) The detailed process steps as well as the individual results of the indicator calculations (at border side level) are presented in Annex III.

[39] For example, the more network users book capacity at IP sides, the higher the likelihood that the threshold of min. 10% (at which the renomination restriction of the FDA UIOLI mechanism becomes applicable to an individual network user) is not reached by the majority of network users. Therefore, in such cases, FDA UIOLI may result in lower or no additional capacities made available.

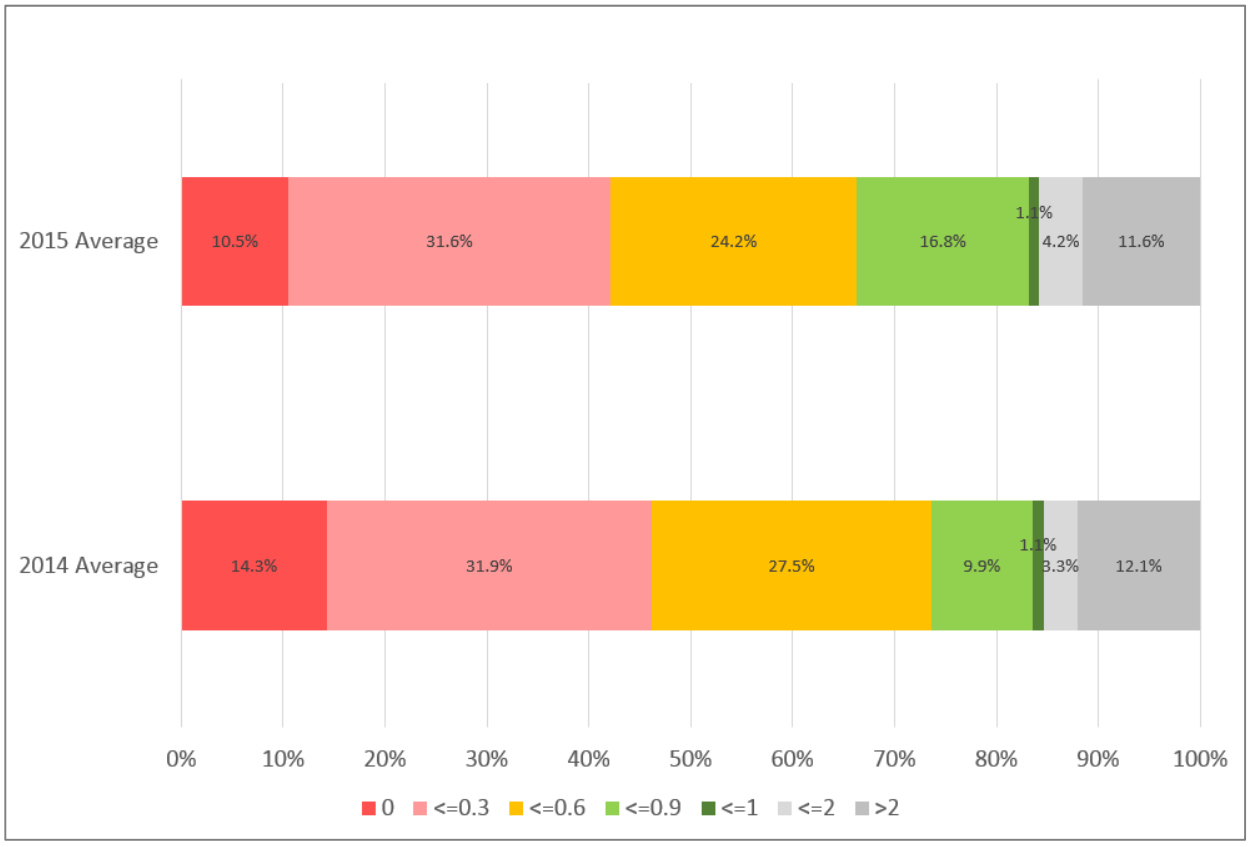
[40] E.g. some German TSOs, IUK,…

[41] For the CMP.3 calculations at border-side level, renominations have also been used (next to physical flows), despite a lower data availability, as "renominations / total booked capacity" better reflect the commercial utilisation as "physical flows / total booked capacity. Effects like TSO swaps or opposite nominations on bidirectional IPs are not reflected in the ratio "physical flow / total booked", and may therefore distort the results, i.e. not correctly reflecting commercial flows. (see Annex III)

[42] For example, the CMP GL IP list does not include any NC CAM IP sides without any firm technical capacity ("virtual reverse flow IP sides").

(78) Figure 4 compares the results of the analysis for 2014 and 2015 at EU level. The chart has been derived by first aggregating all yearly averaged physical flows as well as total bookings of all CMP relevant IP sides per border side and then grouping the individual border side ratios into "utilisation categories" (of 0%, 0–30%, 30-60%, 60-90%, 100%, 200% and >200%)[43].

Figure 4 Relative distribution of total capacity utilisation of total booked capacities in the EU



(79) The "utilisation levels" (derived from the physical flow) in Figure 4 increased in 2015 compared to 2014. This is in particular visible for the utilisation ratios between 60-90%, which increased from 9.9% to 16.8%, mainly at the expense of the "mid-range" utilisation (between 30-60%) and the "no utilisation" (0%) range.

(80) However, it is not safe to conclude from those results that the application of CMP was a main driver that led to the capacity utilisation increase, although it may have contributed. This is mainly because

- There are other much more relevant influences, such as market demand developments, which led to changes in the physical utilisation of capacities.
- Physical flows are not well-suited to indicate utilisation of booked capacities, as they represent or include operational / technical measures taken by TSOs. Furthermore, at

[43] In the chart, these ratio groups are expressed without %, cf. key.

physically bidirectional IPs, although network users may heavily nominate their booked capacities, the resulting (net) flow may be low.

- It was not assessed to which extent the additional capacity offers made available through CMPs have actually led to additional capacity bookings, let alone nominations.
- CMP application throughout the EU is still limited (see the results for CMP.1).

4.3 Effects of CMPs on market integration, competition, non-discrimination

(81) To date, the implementation of the CMP rules has not been completed in seven Member States (see Table 1). The actual application of the CMP measures was limited to six Member States in 2015 (see Figure 1), according to the data from ENTSOG's Transparency Platform. Therefore, an in-depth analysis and evaluation of competition and integration effects cannot be presented in this Report. However, a general qualitative evaluation is provided below and in the Agency's Market Monitoring Report covering 2015.

(82) Depending on their use, the three CMP measures - OS&BB, FDA UIOLI and Surrender - may show impact on competition and non-discrimination, while the threat of a possible application of the LT UIOLI measure may deter network users from booking more capacity than needed.

(83) CMPs generally facilitate profiled (structured) capacity bookings, reducing the aggregated long-term ('flat') demand for capacity bookings, and thereby ensuring that more capacity becomes available to new or competing network users. This is only effective where capacity demand exceeds the offer, namely in case of contractual congestion.

4.3.1 Effects of OS&BB

(84) OS&BB has not yet been implemented in seven Member States. In 2015, it was only applied in four Member States, which may partly be explained by the fact that there was little contractual congestion. However, OS&BB was not applied at all the contractually congested IP sides, as found in the latest Congestion Report[44] by the Agency.

(85) The limited application of OS&BB implies a limited impact on the market integration and competition. Only at the Dutch IP sides, the OS&BB mechanism has led to substantial additional offers, which may have prevented contractual congestion from occurring.

4.3.2 Effects of FDA UIOLI

(86) FDA UIOLI is currently implemented and applied at the IP sides of Germany (since 1 April 2012) and Austria (since 1 October 2013). Italy will start the application of the measure this year.

(87) Due to the nature of the FDA UIOLI, it cannot resolve contractual congestion as currently defined in the CMP Guidelines. However, at the German and Austrian borders, the FDA UIOLI

[44] Latest ACER annual report on contractual congestion at interconnection points, Period covered: 2015, 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

led to additional daily capacity offers, which provided market participants with confidence that daily capacity will be made available for them every day. During this period, according to BNetzA, many incumbent capacity holders terminated their contracts in line with the German civil law, which led to ample capacity availability also in the long term.

(88) Continuous and reliable availability of firm day-ahead capacity offers, regardless whether provided via FDA UIOLI or OS&BB, resulted in lower price spreads between Germany and its neighbouring markets (in particular the German hubs and TTF), with spreads lower than transportation costs, which serves as an indication of a well-functioning day-ahead market integration.

4.3.3 Effects of Capacity Surrender

(89) The utilisation of surrender is an alternative (or fall-back) option to secondary markets. It is typically used by network users in cases where the secondary markets are not liquid or when the user who booked in excess would like to stay anonymous. Capacity surrender can therefore be considered as a last resort measure to try to dispose of unneeded capacity. The chances to reallocate the surrendered amounts are low in the absence of contractual congestion and given that TSOs first have to allocate their own capacity, before they reallocate surrendered capacity.

(90) This measure could be useful in countries with no or illiquid secondary markets. Liquid and organised secondary markets may decrease the number of surrenders, by attracting potential surrenders to be traded on the secondary market.

(91) The surrender mechanism is formally implemented in all non-derogated Member States, except in Romania (not at all IPs[45]) and in Bulgaria.

(92) Due to its occasional nature and little additional value over secondary markets, its impact on competition was found limited in the Agency's data analysis. In terms of actual application, the surrender was triggered at 23 IP sides of only four Member States (Austria, Germany, the Netherlands and France), based on the Transparency Platform data, with most occurrences at Dutch IP sides. Additional information received by Ofgem indicates that the surrender mechanism was also applied at IP sides of the Interconnector IUK.

(93) Surrenders were marginal in terms of additional capacity offered to the market, compared to the OS&BB and the FDA UIOLI mechanisms (see Figure 1), and not offered even at IP sides found contractually congested in the Agency's latest Congestion Report. The only exception were the IP sides of the IUK[46].

[45] Csanadpalota – implemented; Negru Voda I, II, III and Ruse-Giurgiu – not implemented yet

[46] Whether any surrendered capacity is successfully reallocated is not (directly) reported at ENTSOG's Transparency Platform, as such CMP capacity is not "earmarked" when it is offered in the regular capacity auctions.

4.3.4 Effects of LT UIOLI

(94) LT UIOLI is formally implemented in all non-derogated Member States, except in Romania (not at all IPs) and in Bulgaria.

(95) The Agency is not aware of any cases where LT UIOLI has resulted in a withdrawal of capacity. No capacity made available by this CMP was reported for 2015 at ENTSOG's Transparency Platform.

(96) Reasons for that are manifold:

- absence of congestion at most locations, for instance due to decreasing gas demand;
- congestion management procedures, encouraging the "use-it-or-sell-it" principle and facilitating the transfer of capacity via the secondary market;
- hoarding behaviour discouraged by the CMPs;
- NRAs accepted the reasons why booked capacity remained unused;
- lack of sufficiently detailed national rules issued by the NRA, which could have facilitated the use of LT UIOLI procedures in some Member States.

(97) Absent application, the effects of this specific CMP on integration and competition are not assessed in the Report. However, the sheer existence of the measure may help to deter anti-competitive behaviour ("capacity hoarding").

Annex I: Summary of responses received (survey update 2016)

(1) In this annex, answers of the 16 NRAs which were requested to complement and update the survey input provided in 2014 are summarised. The changes in 2016 as compared to 2014 are marked (red strikethrough for removed information, green for additions), and the narrative part only comprises the new/updated answers provided.[47]

(2) ***Status of Implementation of CMP measures in the Member States (2013-2016, expectations 2017)***

	MS / CMP	BE[1]	CZ[1]	DE	EL[1]	FR (GRTgaz)	SI[1]	SK[1]	IC-PTL	NL (GTS)	PL[1]	HR	AT[1]	UK (NGG)	DK	IE	IC-BBL	IC-IUK
IMPLEMENTATION	OS&BB/FDA			FDA					20.1.14	28.1.14	Q1/14	1.6.14	FDA		1.10.15	1.11.15	1.11.15	1.11.15
	SURRENDER								20.1.14	28.1.14	Q1/14	1.6.14			1.10.15	1.11.15	1.11.15	1.11.15
	LT UIOLI								20.1.14	28.1.14	Q1/14	1.6.14	1.10.14	30.9.14& 1.11.15		1.11.15	1.11.15	1.11.15

	MS / CMP	HU	IT	RO	BG	ES	FR (TIGF)	PT	LT[3]	LU[2]	LV[2]	FI[2]	EE[2]	SE[4]
IMPLEMENTATION	OS&BB/FDA	Q2/16 Dec. 16 according to MEKH	FDA 4.8.16		1.10.16	1.4.17	1.4.17	1.4.17	1.1.15 according to CMP NRA survey	derogation	derogation	derogation	derogation	no booking procedures
	SURRENDER			Partially (1 IP), Q3/16	1.10.16			5.8.14	1.1.15					
	LT UIOLI			Partially (1 IP), Q3/16	1.10.16			5.8.14	1.1.15					

Abbreviations:

CMP:	Congestion Mangement Procedures
OS&BB:	Oversubscription & Buy-back
FDA:	Firm day-ahead Use-it-or-Lose-it
LT UIOLI:	Long-term Use-it-or-Lose-it
MS:	Member State
IC:	Interconnector

Key:

timely implementation by 1.10.2013

Notes:

[1] As implementation was completed in 2014, no survey update was required in 2016.

[2] MS holds a derogation under Art. 49 of the Gas Directive.

[3] At IP side with LV (derogated MS), CMPs are implemented in TSO's rules, but not applied absent congestion. (At IP sides with 3rd countries, NRA has not decided to apply CAM & CMP.)

[4] SE IP sides are not subject to booking procedures

Data sources: ACER survey (2014,2016), ENTSOG survey (2016)

[47] For the 2014 survey results, see:
ACER implementation monitoring report on Congestion Management Procedures 2014, 1st edition, 13.1.2015:
http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20CMP%20Implementation%20Monitoring%20Report%202014.pdf

1.1 General provisions (CMP GL paragraph 2.2.1 (3))

(3) ***Question: Is the additional capacity made available by CMP offered in the 'regular' allocation process?***

(4) Before the publication of the present Report, 18 TSOs sent an update on current application of CMPs. Two of them (Energinet and Amber Grid) that answered negatively in the 2015 survey, have already started to offer additional capacity.

Country/TSO	"Yes"	"No"	No answer /other
Austria	BOG, TAG, Gas Connect Austria		
Belgium	Fluxys Belgium		
Bulgaria		Bulgartransgaz	
Czech Republic	Net4gas		
Denmark	Energinet		~~Energinet~~
France	GRT Gaz TIGF		
Germany	Bayernets, Fluxys Tenp, GRTgaz Deutschland, GASCADE Gasunie Deutschland, Gasunie Ostseean-bindungsleitung, GTG Nord, Jordgas, NEL, Nowega, Ontras, Open Grid Europe, Terranets, Thyssengas (DE), LBTG, OPAL Gastransport		
Greece	DESFA		
Hungary		MEKH (not yet)	FGSZ
Ireland			Gaslink[48]
Italy	SNAM		
Lithuania	Amber Grid	~~Amber Grid~~	
Netherlands	Gasunie Transport Services, BBL		
Poland		Gaz-System[49]	
Portugal	REN		
Romania		Transgaz	
Slovakia	Eustream		
Slovenia	Plinovodi		
Spain	Enagas		
Sweden		Swedegas	
UK	National Grid, Interconnector Premier Transmission		
Croatia	Plinacro[50]		

[48] Yes, if contractual congestion will occur in the future (which is currently not the case).

[49] The Polish NRA remarked that CMP rules have not yet set free any additional capacity. If it will be the case in the future, additional capacity is foreseen to be offered in the 'regular allocation process.

[50] Yes, if set preconditions (according to the Network Rules of the transmission system as of 1.6.2014) are met.

1.2 Oversubscription & Buy-back

i. OS&BB proposal - CMP GL paragraph 2.2.2 (1)

(5) ***Indication of the date for submitting the OS&BB proposal to the NRA***

(6) Before the publication of the present Report, most of the TSOs have already submitted proposal to their NRAs. After further communication with TSOs/NRAs, that have had delays in the implementation of OS&BB, additional answers were provided that clarify the application of the procedures. 17 TSOs responded to the additional query, namely Bulgartransgaz (BG), LBTG (DE), OPAL Gastransport (DE), Energinet.dk (DK) Enagas (ES), GRT Gaz (FR), TIGF (FR), Plinacro (HR), SNAM (IT) Amber Grid (LT), Gasunie Transport Services (NL), BBL Company (NL), REN – Gasodutos (PT), Transgaz (RO), National Grid (UK), Interconnector (UK) and Premier Transmission Ltd. (UK).

(7) ***Progress since 2015 and ongoing implementation:***

(8) Bulgaria: The rules on implementing the OS&BB schemes were submitted to the regulator on 16 April 2015. The NRA decision is still pending as the regulator requested the revision of the proposal from the TSO. The TSO has not resubmitted its proposal by the time the drafting of the report closed.

(9) Denmark: A methodology proposal was submitted on 16 March 2015. The proposal was approved by DERA Board on 29 September 2015.

(10) France, Spain, Portugal: Ongoing establishment of a common OS&BB in the South Gas Regional Initiative. Regulators and TSOs form the three countries are finalising the setting of the procedure. The initial expected date for launching the procedure was April – May 2016, but this is now expected to happen in 2017.

(11) Netherlands: BBL Company has submitted their proposal on 8 October 2015. The proposal was approved by the NRA on 30 October 2015.

(12) Romania: No proposal for the implementation of OS&BB has been received by the NRA.

(13) Hungary: The proposal is expected to be resubmitted in November 2016 and could possibly be approved in December 2016.

(14) ***Which firm products (in terms of duration) are concerned by the OS&BB mechanism?***

Capacity product duration	TSO (country)	
	As a concept	*As an actual offer*
Annual, quarterly, monthly, DA, WD	Amber Grid (LT), ~~National Grid (UK)~~	National Grid (UK)
Annual, quarterly, monthly, DA	SNAM (IT); ~~GTS (NL)~~	Eustream (SK), ~~National Grid (UK)~~ Gasunie Transport Services (NL) [51]
Annual, monthly		Gaslink (IE)
Quarterly, monthly, DA	GRTgaz (FR),	
Monthly, DA	~~GRT Gaz (FR)~~	GTR gas (FR),
Monthly	Premier Transmission Ltd. (UK)	Premier Transmission Ltd. (UK)
DA	Bulgartransgaz (BG), Enagas (ES), Gasodutos (PT), Transgaz (RO), Interconnector (UK), Plinovodi (SI), Net4Gas (CZ), Gaz System (PL), Fluxys Belgium (BE), Plinacro (HR), ~~BBL~~	Interconnector (UK), BBL (NL), Net4Gas (CZ), Gaz-System (PL), Fluxys Belgium (BE)
None	Energinet.dk[52], Swedegas (SE)	Bulgartransgaz (BG), Enagas (ES), SNAM (IT), Amber Grid (LT), Gasodutos (PT), Transgaz (RO) ~~Interconnector (UK)~~ ~~BBL (UK)~~ , Plinovodi (SI), Swedegas (SE)
Under discussion with adjacent TSOs	~~Enagas (ES)~~	~~Enagas (ES)~~
To be defined	TIGF (FR), ~~Plinacro (HR)~~, SNAM (IT), FGSZ (HU) ~~Bulgartransgaz (BG)~~	~~BBL Company (NL)~~, ~~Bulgartransgaz (BG)~~

[51] Compared to the past implementation report GTS now also offers quarterly and yearly capacity through OS&BB beyond the monthly and daily ones.

[52] All products can be offered upon request. As congestion is not observed, there is no need to implement OS and BB mechanism.

ii. Dynamic recalculation of technical capacity - CMP GL paragraph 2.2.2 (2)

(15) ***Is a dynamic approach of recalculation of technical / additional capacity applied?***

Country	TSOs not applying a dynamic approach	TSOs applying a dynamic approach (frequency of recalculation)			No answer
		Daily	Monthly	Other	
Austria	TAG			BOG	
Belgium		Fluxys Belgium			
Bulgaria	Bulgartransgaz		foreseen		
Croatia	Plinacro				
Czech Republic		NET4GAS			
Denmark				Energinet.dk	
France			GRT Gaz		TIGF
Germany	LBTG, OPAL Gastrasport, Thyssengas, terranets, Open Grid Europe, Ontras, Nowega, NEL, Jordgas, GTG Nord, GRTGaz Deutschland, Gasunie Ostseeanbindungsleitung, Gasunie Deutschland, GASCADE, Fluxys Tenp, Bayernets				
Greece			DESFA		
Hungary	FGSZ				FGSZ
Ireland		~~Gaslink~~ → Gas Networks Ireland			
Italy				SNAM	
Lithuania	Amber Grid				
Netherlands		Gasunie Transport Services, BBL			
Poland		GAZ-SYSTEM			
Portugal	REN Gasodutos				
Romania	Transgaz				~~Transgaz~~
Slovakia	Eurstream				
Slovenia	Plinovodi				
Spain		Enagas			
Sweden					Swedegas
UK		Interconnector, National Grid,	Premier Transmission Ltd.		

iii. Incentive regime - CMP GL paragraph 2.2.2 (3)

(16) ***Has an incentive regime been established? Have NRAs already decided on the distribution of revenues and costs between TSOs & network users?***

Country	Incentive regime in place or expected	No incentive regime	No answer	NRA decision on revenue & cost distribution already taken
Austria		TAG, BOG	Gas Connect Austria	yes[53]
Belgium	Fluxys Belgium			yes[54]
Bulgaria	Bulgartransgaz			No
Croatia	Plinacro			Yes
Czech Republic		NET4GAS		yes
Denmark		Energinet.dk		No
France	GRT Gaz		~~TIGF~~[55]	Yes
Germany		LBTG, OPAL Gastrasport Thyssengas, terranets, OGE, Ontras, Nowega, NEL, jordgas, GTG Nord, GRT Gaz Dtl., GOAL, Gasunie Dtl., GASCADE, Fluxys Tenp, Bayernets		no
Greece	DESFA			no
Hungary			MEKH (for FGSZ)	no[56]
Ireland	~~Gaslink,~~ Gas Networks Ireland			Yes
Italy		SNAM		
Lithuania		Amber Grid		No
Netherlands	Gasunie Transport Services, BBL	~~BBL~~[57]		Yes
Poland		GAZ-SYSTEM[58]		planned[59]
Portugal	REN Gasodutos			Yes
Romania		Transgaz		No
Slovakia		Eustream		
Slovenia	Plinovodi			
Spain	Enagas			Yes
Sweden			Swedegas	no
UK	Interconnector, National Grid, Premier Transmission			Yes

[53] E-Control allows 90% of the net revenues to remain with the TSO if that is below 15% of the allowed revenue.

[54] CREG: 25 % of the net result shall be covered by the TSO and 75 % by the network users (through tariffs).

[55] No OS&BB implemented for TIGF, yet.

[56] It will be handled in the resubmitted OS&BB proposal.

[57] Precise details of an incentive regime will be finalised during discussions of final proposal with BBL.

[58] Answer provided by the Polish NRA.

[59] The Polish NRA further detailed its plans to calculate the net revenues in the TSO tariff resulting in the decrease costs of transmission services for network users.

(17) ***Description of the incentive regimes by respondents:***

(18) Spain: 10% of income/ cost from OS&BB is retained/ covered by Enagas; the remaining 90% will, in principle, lower/ increase tariffs.

(19) France: In the views of CRE, the revenues linked to additional capacity and the potential costs generated by the buy-back should be covered at 50% based on national rules provided in *Le Compte de regulation des charges et des produits (CRCP)*. This sharing of revenues and costs allows giving remuneration to the efforts of the TSO, while providing incentives to maximize the effective capacity available to the shippers.

(20) Netherlands: Revenues from the sale of additional capacity and the costs from buy-backs will be shared 50/50 by Gasunie Transport Services or BBL Company and shippers.

(21) Portugal: Costs and additional revenues coming from the auctions are shared. Buy-back price capped at 1.2 x the daily capacity tariff. Selling of additional capacity shall result in 10% over-remuneration for the TSO and 90% for the tariff system (capacity calculated in accordance with approved methodology). Likewise, the buy-back costs are covered 90% by the tariff system and 10% by the TSO.

(22) UK: IUK retains 25% of net OS revenue

(23) National Grid: NG has a target incentive with a risk / reward scheme (shared 50/50 with Users) within the allowed financial incentive target. It is important to note that National Grid Baseline capacity is agreed and set in the NG Licence.

(24) Premier Transmission Ltd.: The OS Scheme is designed to incentivise the TSOs to make OS Capacity available and provide a means of sharing the excess of the revenues received as a result of the allocation of OS Capacity over the costs of buy-backs between Shippers and the TSOs. The OS Revenues shall be shared between the Shippers and the TSOs on a 75:25 basis; the 75% share attributable to Shippers. Shippers shall be allocated a proportion of the Shipper's Aggregate Share pro-rata to their aggregate entry allocations at the relevant Entry Point.

(25) Ireland: The TSO will be allowed an additional amount of revenue to set-up and administer the scheme ('Additional Allowed Revenue').

(26) Croatia: TSO can offer capacity oversubscription. In the event that congestion occurs, the TSO is obliged to release an additional amount of capacity at an entry point on a daily basis. Buyback applies if oversubscribed capacity is not available partially or fully. Buy-back price is capped at 1.5x the daily capacity tariff. The revenues from capacity oversubscription and eventual costs from buyback will, in principle, lower/increase the tariffs proportionally.

iv. Allocation of additional capacity - CMP GL paragraph 2.2.2 (4)

(27) ***Is additional capacity (i.e. from oversubscription & buy back) only allocated after, where relevant, all surrendered capacity and capacity derived from the application of FDA UIOLI & LT UIOLI had been allocated?***

(28) 11 TSOs (or their NRAs) gave a positive answer to this question: Enagas, GRT Gas, Amber Grid, Gasunie Transport Services, BBL Company, REN Gasodutos, Interconnector, National Grid, Premier Transmission Ltd, Plinacro.

(29) LBTG, OPAL Gastrasport, SNAM and Transgaz report non implementation, while Bulgartransgaz has states that implementation is "foreseen". MEKH reports (for FGSZ) that there is no special ranking.

v. Determination of amount of additional capacity - CMP GL paragraph 2.2.2 (5)

(30) ***Are statistical scenarios for the likely amount of unused capacity, a risk profile for the offering of additional capacity and cost estimations for buying back capacity taken into account when determining the amount of additional capacity?***

(31) 7 TSOs (or their NRAs) stated that the risk profiles for offering additional capacity and cost estimations for buying back capacity were taken into account when determining additional capacity. These TSOs were Energinet.dk, Enagas, BBL Company, Gasunie Transport Services, Interconnector, National Grid, Premier Transmission Ltd. and REN Gasodutos.

(32) Plinacro reported that this measure will be implemented later.

(33) As for LBTG, OPAL Gastrasport, GRT Gas, Amber Grid, Transgaz, they do not apply the above-mentioned regime. For Hungary, the risk assessment will be included in the resubmitted OS&BB proposal.

vi. Buy-back design - CMP GL paragraph 2.2.2 (6)

(34) ***If a buy-back procedure is already applied, please provide a short description of the design of the buy-back procedure including the determination of the buy-back price.***

(35) The following design features were reported to the Agency, however they do not refer to a performed buy-back procedure:

(36) Bulgaria: The price should not be higher than the reference price for the daily product at a given IP. (Bulgartransgaz)

(37) Spain: Buy-back will be based on auctions. Each shipper's bid will include the amount of capacity to be sold and the price, defined as a multiplier of the regulated tariff with a cap of 25% on top of the reference price, to be defined in cooperation with adjacent TSOs taking into account the market price for capacity. (Enagas)

(38) France: In case the additional capacity has been booked, it may be that the TSO is not able to ensure all the nominations. In order to reflect the market price while limiting the risks of increasing buy-back costs for the TSO, CRE considers that, the maximum buy-back price should be equal to the average of the clearing prices of the quarterly, monthly and day-ahead auction weighted by the booked quantities during these auctions, plus 25%, for the type of capacity (bundled or unbundled). In case the market based process does not deliver results and the nominations do not decrease, a default rule shall apply. In this case the TSO will buy-back from each NU the firm capacities based on the bookings on a pro-rata basis, after interruptible capacity has been interrupted. The buy-back price will be equal to the above mentioned price without the 25% mark-up. When the TSO does not offer day-ahead products, the clearing price considered will be equal to the regulated price of the concerned day-ahead product. When the buy-back procedure is launched on an IP, the users do not have the right anymore to revise upwards their re-nominations on the concerned point until the end of the concerned gas day. (GRT Gaz)

(39) Croatia – Buy-back is not yet applied. The basic rules foresee that the lowest price offer is accepted or if two equal price offers are made, then the FCFS principle will be applied. The buy-back prices were not set.

(40) The Netherlands: Gasunie Transport Services ('GTS') will implement buy-back as follows: 1) a short-notice buy-back auction and 2) Load Flow Commitments on a monthly basis. For the buyback auction the buyback price will result from the auction. For the LFC the buyback price will result from the tender for LFC. (). BBL Company will follow these steps: 1) If BBL knows/expects that nominations exceed technical capacity it will explore whether congestion could be avoided via commercial or technical measures (LFC) and if not it will buy-back nomination rights (equal to congestion) via a PRISMA auction at a buy-back price equal to the day-ahead price difference between TTF and NBP (TTF & NBP DA indices published by ICIS); 2) Nomination rights could be offered from 0 euro to the maximum buy-back price. Buy-back price could b lowered to the clearing price for which additional capacity was solved (if the maximum risk of BBL is expected to be exceeded); 3) If not enough nomination rights are bought back, non-exempted capacities are bought back from shippers on pro rata basis at a buy-back price equal to the BB auction.

(41) Hungary: A buy-back auction at the Regional Booking Platform is envisaged.

(42) ***Is there a national obligation for network users to participate in the buy-back procedure?***

(43) No TSO, participant in the present query, reported national obligation for network users to participate in buy-back procedures.

vii. Alternative measures - CMP GL paragraph 2.2.2 (7)

(44) ***Do TSOs verify, before applying a buy-back procedure, whether alternative technical and commercial measures (e.g. pressure increases, flow commitments) can maintain system integrity in a more cost-efficient manner?***

(45) 9 TSOs check for alternative measures, before applying BB procedures (BBL Company, Enagas, GRT Gaz, Amber Grid, Gasunie Transport Services, REN Gasodutos, Interconnector, National Grid and Premier Transmission Ltd.).

(46) Due to technical limitations of the transmission system, alternative measures are currently unavailable in Croatia (Plinacro).

viii. Data submission on OS&BB scheme - CMP GL paragraph 2.2.2 (8)

(47) ***When proposing the OS&BB scheme, did TSOs provide models and data to assess the scheme to the NRA?***

Country	Data provision to NRA	No data provision	No answer / other
Austria			TAG, BOG, Gas Connect Austria
Belgium	Fluxys Belgium		
Bulgaria	Bulgartransgaz		~~Bulgartransgaz~~
Croatia	Plinacro		
Czech Republic		NET4GAS	
Denmark	Energinet		~~Energinet~~
France	GRT Gaz, TIGF		

Country	Data provision to NRA	No data provision	No answer / other
Germany	LBTG, OPAL Gastrasport, Thyssengas, terranets, Open Grid Europe, Ontras, Nowega, NEL, jordgas, GTG Nord, GRT Gaz Deutschland, Gasunie Ostsee-anbindungsleitung, Gasunie Dtl., GASCADE, Fluxys Tenp, Bayernets		
Greece	DESFA		
Hungary			FGSZ
Ireland		Gaslink	
Italy	SNAM		
Lithuania		Amber Grid	
Netherlands	Gasunie Transport Services	BBL Company	
Poland	GAZ-SYSTEM		
Portugal		REN Gasodutos	
Romania		Transgaz	
Slovakia	Eustream		
Slovenia		Plinovodi	
Spain	Enagas		
Sweden			Swedegas
UK	Interconnector, National Grid, BBL	Premier Transmission	

(48) ***How do the TSOs (intend to) regularly report to the NRA on the functioning of the scheme? (Time intervals, content)***

(49) Various approaches have been revealed throughout the answers received to this question. At some occasions it is obvious that the regularity of the reporting has not been settled yet.

Frequency of reporting to the NRA	TSO (country)
Annually	BBL Company, Bulgartransgaz (BG), Enagas (ES), GRT Gaz (FR), Amber Grid (LT), Gasunie Transport Services (NL), Fluxys Belgium (BE), GRTGaz and TIGF (FR)
Twice a year	Gaslink (IE), Plinacro (HR)
Quarterly	Interconnector (UK),
Regularly along with other reporting tasks	Plinovodi (SI)
Upon the request of the NRA	DESFA (EL), Gaz System (PL)
Continuously by website publication	National Grid (UK)
Under discussion	REN Gasodutos (PT), Net4Gas (CZ), Premier (UK), SNAM (IT)
Not specified	TIGF (FR), BBL Company (NL), Transgaz (RO), Premier Transmission Ltd. (UK), Eustream (SK), FGSZ (HU)[60]

[60] Depends on NRA decision

1.3 FDA UIOLI

i. Relationship of FDA UIOLI with OS&BB (CMP GL paragraph 2.2.3 (6))

(50) ***Question to NRAs only: Has an evaluation of the relationship of FDA UIOLI with the OS&BB scheme been carried out by the NRA?***

(51) An evaluation of the relationship between the two measures has been carried out by the NRAs of the following countries (based on the current responses): ES, FR and IT.

(52) No evaluation has been carried out by the NRAs of the following countries: HR, HU, LT, NL (BBL Company and Gasunie Transport Services), PT, RO, UK and DK.

(53) No answer was provided for DE (LBTG, OPAL Gastransport). In BG the process is still under evaluation.

ii. Implementation of FDA UIOLI (CMP GL paragraph 2.2.3 (7))

(54) ***For NRAs only: Has the NRA decided to implement the FDA UIOLI pursuant to 2.2.3 (3)?***

(55) Italy decided to implement the FDA UIOLI in August 2016. None of the other respondents' NRAs have decided to implement the FDA UIOLI mechanism. Bulgaria may considering using this procedure.

(56) ***For NRAs only: Have the adjacent NRA's opinions been taken into account in the decision?***

(57) Positive answer only from France[61] and Italy[62].

1.4 Surrender of Capacity

i. Specifics of the Surrender Mechanism (CMP GL paragraph 2.2.4)

(58) ***For NRAs only: Have the specific terms and conditions for surrendering capacity (in particular for cases where several network users surrender their capacity) been approved by the NRA?***

8 NRAs have approved the specific terms and conditions for surrendering capacity (UK (NG, IUK), ES, FR, HR, IT, NL, PT, DK and RO). In the case of Lithuania, the NRA has approved general principles in Rules on Using Natural Gas Transmission System of AB Amber Grid, not specific provisions. The rest of the respondents have not provided answer for this particular question or have evaluated it as not applicable. No special rules are used in Hungary.

[61] Stakeholders and NRAs have been invited to answer to the public consultation presenting the OS&BB procedure applicable to IPs on the GRTgaz network, ahead of the deliberation.

[62] Answers to the public consultation provided by AT and SI have been taken into account in the final decision.

(59) ***Which firm capacity products are covered by the surrender mechanism?***

Capacity Product Duration	Country
Yearly / Quarterly / Monthly / Other durations	DE (Opal Gastransport), IT, RO, AT, EL, SK
Yearly / Quarterly / Monthly	BE, BG, DK, ES, FR (TIGF), LT, NL (Gasunie Transport Services, BBL), PL, UK (National Grid), HU
Yearly / Monthly / Other durations	HR, SI
Yearly / Quarterly	PT
Yearly / Monthly	IE
Quarterly / Monthly	FR (GTR Gaz)
Yearly	~~RO~~, UK (Premier Transmission Ltd.)
Monthly	CZ
Other durations (any duration of one day or more)	DE (LBTG), UK (Interconnector, ~~BBL~~), ~~BG~~

(60) ***Does the surrender mechanism provide that reallocation of surrendered capacity takes place only once the available capacity is fully allocated?***

(61) All TSOs confirmed that the reallocation of surrendered capacity only takes place once the available capacity is fully allocated.

(62) ***Does the surrender mechanism provide that the concerned network users are informed of any reallocation without delay?***

(63) Most of the TSOs answered this question with "Yes". The Bulgarian NRA envisages this provision to apply in the future. The only TSO that has not provided an answer is the BBL Company.

1.5 Long-term UIOLI

i. Design of the mechanism (CMP GL paragraph 2.2.5)

(64) ***If LT UIOLI is designed or implemented, please provide a short description of the mechanism/procedure (if it is further detailed than in CMP GL paragraph 2.2.5 or deviating from the minimum requirements listed there).***

(65) Most of the TSOs apply the LT UIOLI according to the requirements listed in paragraph 2.2.5. of the CMP Guidelines. Some respondents have provided further details in their answers.

(66) Bulgaria: TSO evaluates yearly the capacity usage and submits the information to the NRA.

(67) Denmark: The approved LT UIOLI mechanism corresponds to the requirements in paragraph 2.2.5 of the CMP Guidelines. The TSO shall submit all relevant data on long-term capacity use to DERA once a year. The NRA integrated the CMP rules in the national code, the National rules for gas transport. Energinet.dk is entitled to systematically withdraw, partially or fully, any underutilised contracted capacity, pursuant to Capacity Agreements with a duration of more than one year, at an Entry Point and Transit Point where the Shipper has not sold or offered on reasonable conditions his unused Capacity,

and where other Shippers request Firm Capacity. The Shipper shall retain his rights and obligations under the Capacity Agreement until the Capacity is reallocated by Energinet.dk or in case the Capacity is not reallocated by Energinet.dk.Energnet.dk shall regularly provide the Danish National Regulatory Authority with all the data necessary to monitor the extent to which contracted capacities with an effective contract duration of more than one year or recurring quarters covering at least two years are used.

(68) Spain: In April every year the TSO analyses the capacity used by users which have capacity products that effectively means holding capacity for longer than a year. The TSO compares, in the two periods between April-September and between October-March, the average of daily used capacity and the average of daily contracted capacity. Capacity might be withdrawn if: a) In both periods the average of daily used capacity is less than 80% of the average of daily contracted capacity or; b) In both periods there are at least 60 days in which the user nominates above 80% of the contracted capacity and afterwards reduces the nomination by half or less than half.

(69) France: On all the cross-border and internal IPs, GRTgaz and TIGF, the TSO monitors cases of systematic underutilization of capacity by a network user. If other network users request firm capacities on this IP and this demand could not be satisfied within the regular allocation processes, the TSO informs CRE and analyses the situation of congestion at the concerned entry-exit point. If the user is not able to provide a proper justification, the withdrawal of capacity is proposed by the TSO and decided afterwards by CRE. The withdrawal decision of bundled products should be coordinated between the TSOs and the regulators of adjacent systems.

(70) Croatia: Plinacro: Transmission system operator (TSO) shall deliver to the NRA information on a daily use of the contracted firm capacity on the interconnection point at which the network user has not used the firm capacity it contracted, at least on a yearly basis, and has not offered the relevant capacity while other network users request firm capacity. TSO shall deliver that information at the latest by 20 November, each year, for the period from 1 April to 30 September and at the latest by 20 May, each year, for the period from 1 October to 31 March. TSO shall fully or partially withdraw the underutilised contracted firm capacity in compliance with the decision by the NRA and it shall inform about it, without delay, all network users that the contracted firm capacity was withdrawn from. Network user from which the capacity was withdrawn in compliance with the NRA decision shall without delay deliver to the TSO correctly filled in and signed Notice, published on the official internet page of the TSO. The network user shall retain all its rights and obligations under the TSO contract until the underutilised contracted firm capacity is reallocated to another network user. HERA: As stated by Plinacro, but a criteria for withdrawal of systematically underutilised contracted capacity is not defined along the minimum requirements of paragraph 2.2.5 of Guidelines.

(71) Italy: The mechanism is fully compliant with the procedure described in CMP GL.

(72) Portugal: The capacity products allocated in Portugal and also in the IPs have a maximum period of one year and, as a consequence, the UIOLI procedures, are not applied. However, the UIOLI procedures are already in place in the IPs.

(73) Romania: If a network user's request has been denied by the TSO for over one month due to lack of capacity, then the TSO notifies all network users (NU) with regard to the capacity request and ask them to offer the relevant capacity to the requesting NU through the Capacity Transfer Facility (CTF) or by surrendering their capacity, or part of it, to the TSO. At the same time, the TSO submits to all NU a request to report their actual capacity needs for the relevant period, based on supporting documents, within five (5) working days. If there was no surrendering of capacity or the requesting NU did not receive any offer through CTF within 10 working days from the date at which all NU were notified by the TSO, then the TSO shall assess the reports submitted by the NU concerning their actual capacity needs. If the TSO deems that the reports contain unjustified information or if the NUs fail to provide the

aforementioned information, the TSO is entitled to apply LT UIOLI. If several NUs are in the same situation, the LT UIOLI mechanism applies to all such NUs, proportionally with their unduly justified capacity needs.

(74) UK: IUK will monitor the use of long-term contracted capacity, identify systematic underutilisation, invite the relevant user(s) to provide justification for underused capacity, and then provide a report on underused long-term capacity to Ofgem and CREG. If Ofgem directs IUK to withdraw underused STA capacity, it will be offered under the IAA and reallocated such that capacity withdrawn will get reallocated first. Revenue disbursed to the user from reallocated LT UIOLI capacity is capped to the relevant user's original payment obligation. This aims to prevent users deriving any potential reward for hoarding long-term capacity and to incentivise users to offer unused capacity on the secondary market or surrender it to IUK. Premier Transmission Ltd.: The TSO will prepare usage reports twice a year with respect to the two periods. The TSO shall deliver a copy of each report to the NRA. Each usage report shall state whether the TSO has formed the view that there has been a systematic underutilisation of firm capacity. If the TSO determines there is, the TSO shall give notice to the affected Shippers indicating that the TSO intends to reduce their long-term capacity booking (if there is unfulfilled demand for firm capacity). The mechanism also gives the Shipper an opportunity to justify their underutilisation and allows for a reversal of the TSO's decision to reduce their capacity booking.

(75) Ireland: Implemented as in paragraph 2.2.5. The TSO will prepare usage reports twice a year with respect to the two periods. The TSO shall deliver a copy of each report to the NRA. Each usage report shall state whether the TSO has formed the view that there has been a systematic underutilisation of firm capacity. If the TSO determines there is, the TSO shall give notice to the affected Shippers indicating that the TSO intends to reduce their long-term capacity booking (if there is unfulfilled demand for firm capacity). The mechanism also gives the Shipper an opportunity to justify their underutilisation and allows for a reversal of the TSO's decision to reduce their capacity booking.

ii. Data submission for LT UIOLI (CMP GL paragraph 2.2.5(4))

(76) ***Is the relevant data per network user (contracted capacity & nominations for effective capacity contract durations of more than one year or recurring quarters covering at least two years) provided by the TSOs to the NRA regularly (and if so at which time interval)?***

(77) 12 TSOs (or their NRAs) confirmed that relevant data is provided to the NRA.

(78) For the German TSOs, subject to the current report (LBTG and Opal Gastransport), this measure has not yet been implemented. However, data can already be submitted if required.

(79) The frequency of data submission is varying from "upon request" up to "daily":

Frequency of data submission	Country
Upon NRA request	PL, SK, AT, LT, RO, ES, PT
Every year	BG, DK, IT, FR, NL, UK (Interconnector)
Twice per year	UK (National Grid, Premier Transmission Ltd.), IE, SI, ~~HR~~
Daily	HR, EL, BE

1.6 Other comments from the general questionnaire

(80) ***Final comment box: (e.g. for short description of major obstacles (if any) encountered at this stage for the implementation of the CMP guidelines)***

(81) Germany: German NRA screened, but in the end did not approve OS/BB measure in Germany.

(82) Spain: CMP implementation required more coordination between adjacent TSOs and NRAs, in particular for bundled capacities.

(83) France (GRTgaz): In France, we had only IP with physical congestion or without congestion. It's quite difficult/unnecessary to operate CMP rules in this situation. Like other members of ENTSOG, GRTgaz might want to indicate that this must not be regarded as a precedent and that ENTSOG and ACER should work together over the upcoming weeks to ensure that a more appropriate way of satisfying both ACER and ENTSOG's monitoring of implementation obligations is established that avoids double working, inappropriate process and which delivers efficiently both necessary data and analysis

(84) Croatia: All answers and comments in the survey are based on CMP proposed by transmission system operator, Plinacro d.o.o. and form part of the new Network Rules of Transmission System after approval of Croatian Energy Regulatory Agency, presumably be in force from April 2014. HERA found major obstacles at this stage for the implementation of the CMP guidelines: (i) insufficiency of CMP Guidelines to tackle effectively contractual congestion in real life cases (EC interpretative note shall alleviate or remove this obstacle), (ii) insufficient data on contractual congestion from PLINACRO, due to the recent opening of the wholesale market and introduction of the entry exit system just two months ago (January 2014). There was no occurrence of contractual congestion between January and June 2014). CMP were introduced from June 2014 and adjusted from January 2015. Further adjustments are needed due to CAM NC implementation at IPs (bundled products, quarterly products etc.).

(85) Italy: Major obstacle concerning OS&BB: definition of a mechanism with a correct balance between costs and benefits for the national system. Major obstacle concerning LT UIOLI: to define in advance a list of "proper justifications" that Network Users can provide to justify the underutilization of their capacity.

(86) Lithuania: Comments (for the CMP GL points 2.2.1 (3), 2.2.2 (2) and 2.2.2 (8)): At the moment there are no capacity shortage or congestion cases in Lithuania neither at the entry nor the exit points. All CMP provisions are presented in the Network Code (Rules on Using Natural Gas Transmission System of AB Amber Grid), which were expected to enter into force on 1 March 2014. In the Network Code there are a set general provisions and principles, detailed description of the OS&BB procedure will be agreed with NRA in case of CM necessity. Considering the ample capacity available, presently the potential for congestion in Lithuania is none, therefore no need to start applying OS&BB procedure. Basic principles are determined in the Network Code and the detailed models and data would be provided to NRA upon the necessity to actually apply CMP and implement the scheme.

(87) Portugal: LT-UIOLI cannot be applied in the Portuguese system, until products with duration of more than 1 year are made available. This means that, up to date, every new gas year, all technical capacity is available for booking.

(88) UK (Interconnectors): Interpreting CMP guidelines for an interconnector, given its special circumstances and revenue model, posed implementation challenges.

(89) Ireland: The only obstacles encountered for implementation of the CMP Guidelines were in relation to data provision to ACER. We could not access the website or we could not submit the data. Our data was submitted in the end in an MS Word document.

Annex II: Detailed results of the CMP.1 indicator calculations

(90) Based on the bulk CMP data export files from the Transparency Platform for the years 2014 and 2015, the CMP.1 indicators were derived for each CMP measure separately for aggregated border (sides) between entry-exit zones (for which data was reported).

(91) Before the aggregation per border side, the capacity made available on average per day per IP side of each year was calculated by multiplying the individual amounts of offered capacity products with the number of days of the respective product's duration. Then all values have been aggregated per IP sides and divided by 365 to get an average daily value for the whole year 2014 and 2015, respectively.

(92) The following figures show the results for the individual CMPs (Oversubscription, Surrender and Firm Day-Ahead Use-It-Or-Lose-It). The Long-Term Use-It-Or-Lose-It and the buy-back mechanism have not (yet) been applied.

(93) As the CMP volumes made available through oversubscription and surrender at the Dutch border sides are the highest in Europe and are higher by order of magnitude than the volumes made available at other EU border sides, they are shown on separate charts.

(94) Figure 5 and 6 show that capacity made available through oversubscription increased in 2015 as compared to 2014. The largest volumes were oversubscribed on the Dutch entry sides from Germany. At the Polish, French and UK border sides, volumes increased as well in 2015. The data at the sides of the Interconnector IUK, where oversubscription and surrender was applied during the last third of 2015 could not be included in the assessment, as data was not available on the ENTSOG Transparency Platform[63].

[63] Data was sent by Ofgem directly to the Agency in May 2016, however in a different form than the bulk ENTSOG TP export file format.

Figure 5: Average daily capacity made available via Oversubscription at Dutch border sides in 2014 and 2015

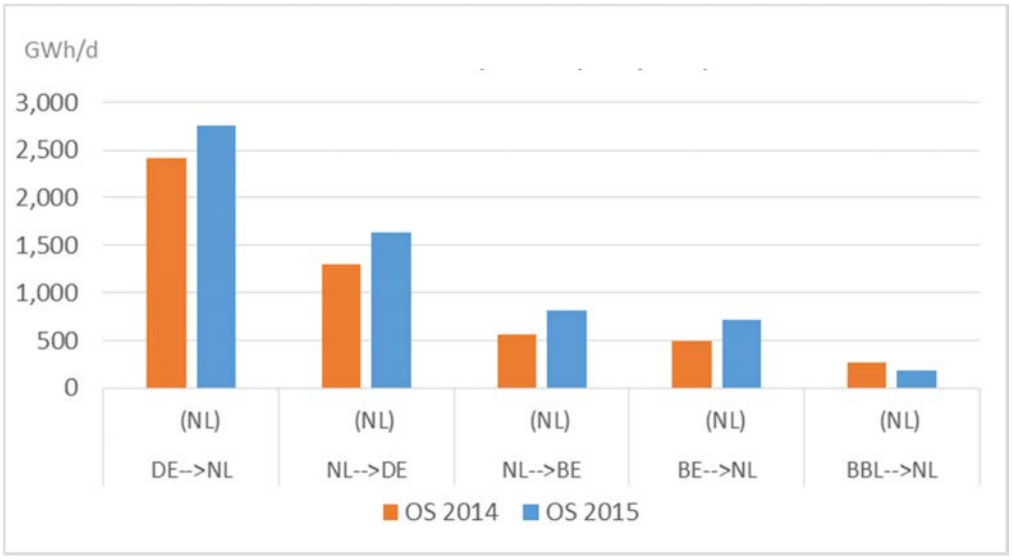
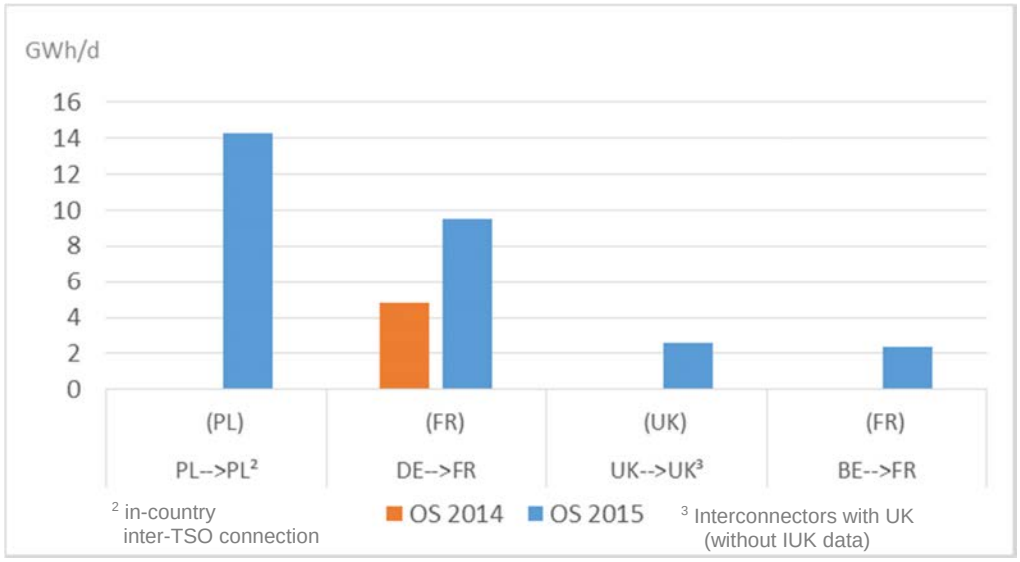


Figure 6: Average daily capacity made available via Oversubscription at the Polish, French and UK border sides in 2014 and 2015



(95) Figure 7 and 8 show that surrendered capacity was highest at the Dutch entry side from Germany in 2015 and that surrenders only occurred in three other member states[64].

Figure 7: Average daily capacity made available via surrender at the Dutch border sides in 2014 and 2015

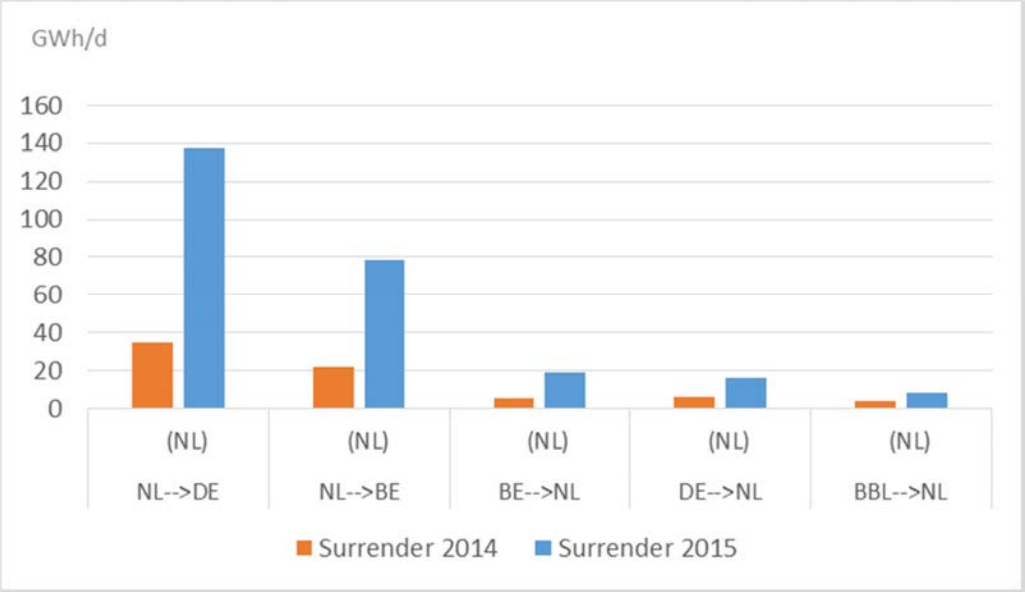
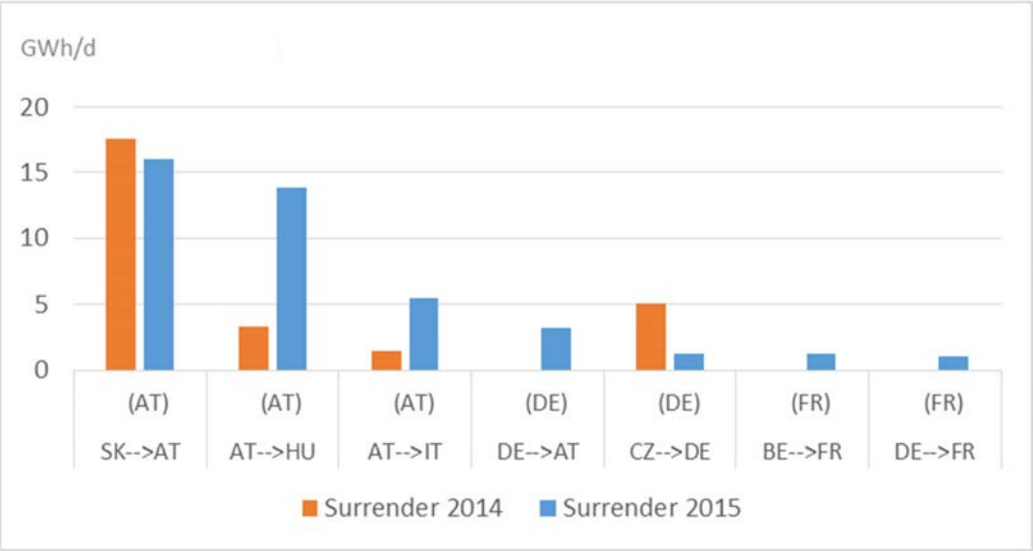


Figure 8: Average daily capacity made available via surrender at the Austrian, German and French border sides in 2014 and 2015

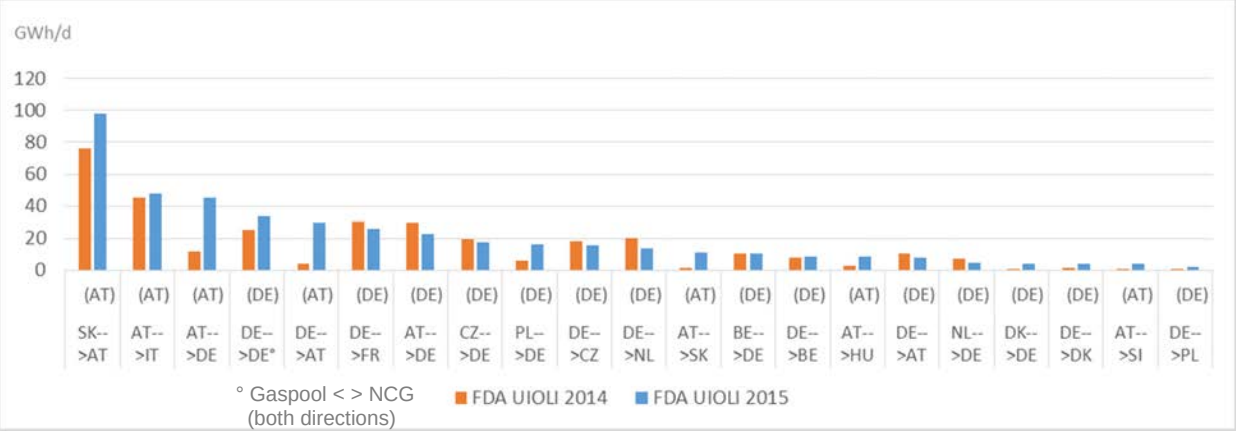


[64] IUK data made available by Ofgem not taken into account for the same reason as for the oversubscribed capacity.

(96) Figure 9 gives an overview on the borders where FDA UIOLI has led to additional capacity offers. At the Austrian entry side from Slovakia as well as the Austrian exit sides to Italy and Germany the highest amounts of FDA UIOLI capacity have been offered.

(97) Due to missing data reporting of some German TSOs to the respective CMP section of the Transparency Platform, the chart does not show the full extent of FDA UIOLI application.

Figure 9: Average daily capacity made available via FDA UIOLI at the Austrian and German border sides in 2014 and 2015



Annex III: Detailed results of the CMP.3 indicator calculations

(98) The following results of the CMP.3 indicator calculations at border side level are based on the bulk transport data export files of the ENTSOG Transparency Platform for all NC CAM relevant IP sides for 2014 and 2015. From this data set, only the data for CMP relevant IP sides has been selected[65] and the following indicator calculations have been performed, after some preparatory steps[66]:

1. Total booked capacity: Booked firm and booked interruptible capacity was added for each day of the year 2014 and 2015 (separately) and averaged for each year.

2. Physical flows / total booked capacity: The ratio of the physical flow over the total booked capacity was calculated for each day and then averaged for each year.

3. Renominations / total booked capacity: The ratio of the renominations over the total booked capacity was calculated for each day and then averaged for each year.

(99) As a result of these operations (with the help of pivot tables on the 2015 bulk data), a significant number of IP sides had to be excluded from further analysis.

(100) Table 10 shows that the ratio of renominations over total booked could not be calculated for all IP sides (due to missing or faulty data) and for 21 IP sides it delivered ratios (partly excessively) above 100%. Furthermore, for 44 IP sides the ratio of physical flow over total booked capacity yielded results (partly excessively) above 100%.

(101) While TSOs (upon request) partly provided explanations for some of the "uninterpretable" data (i.e. ratios >100%) for a number of individual instances, some other data sets were confirmed to be faulty. However, due to the extent of the detected issues, corrections[67] were not possible at that point in time, as any manual corrections are inefficient, prone to errors and time consuming.

(102) The Agency therefore stresses the importance of those data checks to be performed by ENTSOG / TSOs **before** the bulk data exports are delivered to the Agency. In addition, the Agency requests the TSOs to use the existing "remarks" section of the ENTSOG TP to indicate whether physical flow data and also renominations contain TSO operational actions (and to which extent, e.g. in %).

[65] This selection was performed based on a CMP filter developed and integrated into the CAM IP scope list by the Agency for the purpose of the congestion analysis (status as of May 2016). The CMP IP scope list is a subset of the NC CAM IP scope list and is mainly derived by excluding "virtual reverse flow" IP sides (i.e. IP sides without any firm technical capacity) and IP sides with 3rd countries, where the respective NRA has not decided to apply the CMP GL. The NC CAM and CMP IP scope lists are regularly being updated by the Agency and ENTSOG.

[66] For example, for each IP side, a unique identifier was created based on the IP name, TSO and direction. Furthermore, each IP side was attributed to a Member State and a border name (incl. direction and concerned side of the border, in the form of e.g. "SK-->AT (AT)", where the Slovak/Austrian border in the direction to Austria at the Austrian entry side is described). This operation was necessary to late allow for the aggregation of results at border side level (i.e. combining IP sides of the same side of a specific entry-exit system border).

[67] For some corrected TSO data (i.e. from GTS) received in late June 2016, the calculations have been performed separately.

Table 10: Example of a data robustness check (2015 calculation results for CMP.3)

Summary statistics	Average of Ratio: physical flows / total booked	Average of Ratio: renomination / total booked
TOTAL IP sides	208	208
N° of #VALUE!	0	3
N° of #DIV/0!	0	27
N° of >100%	44	21
- of which, N° of >150%	38	14
- of which, N° of >1000%	17	10
USABLE IP sides	164	157

N° of #VALUE!	0.0%	1.4%
N° of #DIV/0!	0.0%	13.0%
N° of >100%	21.2%	10.1%
USABLE IP sides	78.8%	75.5%

(103) The following Table 11 lists the results of the ratio calculations for 2014 and 2015 - aggregated per entry-exit zone border side - after excluding ratios of "renominations over total booked capacity" above 100%[68].

(104) The results are ordered by the increasing ratio of "renominations over total booked capacities" for 2015 per entry-exit zone border sides (3rd column, blue bars).

(105) To better visualise border sides of higher relevance (i.e. those with higher average amounts of total booked capacity), the respective border sides are highlighted with a colour-range (from light rose to dark red with increasing amounts).

[68] In some cases, renominations (as well as physical flows) may include TSO actions, which could explain ratios above 100%. However, the concerned IP sides and the extent of the TSO actions are not reported to the ENTSOG TP.

Table 11: Detailed Results of CMP.3 indicator calculations

Entry-Exit zone border (concerned side of the border)	2015 Average of Average of Ratio: physical flows/total booked	2015 Average of Average of Ratio renomination/total booked	2015 Sum of Average of TotalBooked	2014 Average of Average of Ratio: physical flows/total booked	2014 Average of Average of Ratio renomination/total booked	2014 Sum of Average of TotalBooked
RO-->BG (RO)	67.5%	0.0%	691,183,736	N/A	N/A	N/A
HU-->RO (RO)	4.1%	0.0%	15,268,903	8.4%	0.0%	36,898,113
IT-->AT (AT)	0.0%	0.0%	12,605,932	0.0%	0.1%	13,099,765
HU-->RO (HU)	1.5%	0.0%	40,410,842	4.4%	0.1%	41,730,871
CZ-->DE (CZ)	0.1%	0.1%	254,456,871	N/A	N/A	N/A
BE-->UK (UK)	0.6%	1.3%	897,945,206	1.2%	2.2%	897,945,206
CZ-->PL (CZ)	1.6%	1.6%	18,976,988	30.2%	32.6%	25,861,788
CZ-->PL (PL)	1.8%	1.8%	27,145,398	44.1%	44.1%	27,102,673
BE-->NL (NL)	0.9%	2.7%	267,606,067	N/A	N/A	N/A
DE-->NL (NL)	3.8%	3.6%	760,343,096	20.0%	53.8%	394,561,140
NL-->BE (NL)	18.3%	4.6%	1,516,896,240	N/A	N/A	N/A
NL-->NL (NL)	5.0%	4.8%	436,374,062	41.4%	45.1%	457,580,205
NL-->DE (NL)	6.0%	5.1%	1,775,711,954	36.1%	57.6%	1,796,060,596
NO-->NL (NL)	8.0%	7.0%	694,582,687	41.7%	45.3%	1,001,743,783
AT-->DE (AT)	15.5%	13.3%	690,411,595	N/A	N/A	N/A
DE-->BE (BE)	5.0%	15.4%	369,296,770	5.8%	16.5%	447,894,375
ES-->FR (ES)	0.0%	16.3%	91,317,009	N/A	N/A	N/A
BE-->UK (BE)	8.1%	16.4%	67,537,903	15.1%	27.8%	69,657,720
SI-->IT (SI)	8.4%	16.6%	1,462,479	N/A	N/A	N/A
IT-->SI (SI)	18.7%	21.8%	6,082,175	22.9%	22.0%	8,812,300
BE-->DE (BE)	14.4%	24.2%	367,485,868	13.5%	33.2%	348,987,999
AT-->DE (DE)	8.6%	26.6%	327,344,091	9.3%	14.4%	362,670,333
DE-->BE (DE)	7.1%	27.3%	216,305,569	42.5%	37.1%	283,387,184

Entry-Exit zone border (concerned side of the border)	2015 Average of Average of Ratio: physical flows/total booked	2015 Average of Average of Ratio renomination/total booked	2015 Sum of Average of TotalBooked	2014 Average of Average of Ratio: physical flows/total booked	2014 Average of Average of Ratio renomination/total booked	2014 Sum of Average of TotalBooked
UK-->UK (UK)	28.0%	28.5%	2,944,023,199	9.7%	11.4%	1,622,602,740
SK-->CZ (SK)	1.2%	29.6%	510,841,032	2.9%	33.3%	525,451,516
UK-->BE (UK)	31.8%	32.6%	724,657,534	18.1%	19.3%	724,657,534
NL-->BE (BE)	89.6%	33.6%	949,547,626	83.3%	43.0%	906,352,313
DE-->FR (DE)	284.8%	36.3%	414,385,129	204.3%	48.5%	472,941,896
DE-->AT (AT)	30.5%	37.2%	541,701,978	N/A	N/A	N/A
DE-->PL (PL)	35.9%	39.1%	211,973,455	32.1%	45.2%	194,317,213
DE-->CH (DE)	113.1%	39.2%	646,949,779	N/A	N/A	N/A
DK-->SE (DK)	41.7%	41.1%	60,183,091	0.0%	42.3%	63,702,312
BE-->NL (BE)	25.0%	45.7%	192,768,114	6.4%	29.4%	168,713,776
DE-->FR (FR)	54.5%	47.2%	486,613,915	42.2%	41.5%	502,711,049
DE-->LU (DE)	27.4%	48.6%	35,011,333	40.9%	62.8%	36,396,372
SK-->CZ (CZ)	0.1%	50.3%	299,390,935	7.7%	43.3%	405,015,977
AT-->HU (AT)	51.3%	51.4%	158,738,447	N/A	N/A	N/A
SI-->HR (SI)	51.8%	51.8%	57,536,667	53.4%	51.7%	55,687,648
BG-->GR (GR)	51.2%	52.0%	110,277,328	20.4%	18.5%	107,719,928
SK-->AT (AT)	51.3%	53.6%	1,773,014,683	N/A	N/A	N/A
BG-->GR (BG)	53.9%	54.7%	107,050,000	46.8%	47.4%	107,052,519
PL-->PL (PL)	55.1%	58.0%	498,659,115	N/A	N/A	N/A
FR-->ES (ES)	46.2%	58.7%	160,395,626	N/A	N/A	N/A
DE-->NL (DE)	26.1%	58.8%	283,239,484	28.3%	44.8%	457,759,864
DE-->DK (DE)	5.0%	59.1%	63,475,608	16.1%	66.2%	39,598,923
DE-->DE (DE)	10096.0%	60.4%	673,850,272	N/A	N/A	N/A
AT-->SI (SI)	61.4%	61.4%	86,432,182	52.7%	50.8%	95,694,036
AT-->SK (AT)	40.3%	61.6%	135,184,467	N/A	N/A	N/A
NL-->DE (DE)	113.0%	61.7%	1,085,753,353	N/A	N/A	N/A
DE-->AT (DE)	201.0%	61.7%	411,825,700	N/A	N/A	N/A
BE-->FR (FR)	67.7%	62.4%	579,394,514	71.1%	2.3%	600,321,178
SI-->HR (HR)	63.3%	62.7%	48,013,566	50.2%	49.7%	60,827,928
FR-->ES (FR)	54.4%	63.8%	158,549,153	N/A	N/A	N/A
CZ-->SK (SK)	43.8%	66.6%	702,485,126	44.4%	73.2%	583,162,133
UK-->IE (IE)	69.7%	67.8%	249,544,046	N/A	N/A	N/A
BE-->DE (DE)	3.6%	68.3%	71,311,834	N/A	N/A	N/A
DE-->CZ (DE)	92.5%	69.4%	916,567,338	N/A	N/A	N/A
DK-->DK (DK)	20.1%	69.6%	139,852,943	0.0%	60.1%	95,448,317
CZ-->CZ (CZ)	40.1%	70.9%	2,198,633,908	27.4%	75.2%	942,806,650
AT-->SI (AT)	72.7%	72.7%	74,239,936	N/A	N/A	N/A
AT-->IT (AT)	73.4%	73.5%	1,175,844,749	63.9%	63.7%	1,181,188,838
SK-->AT (SK)	66.8%	74.7%	1,468,598,967	62.8%	65.4%	1,483,830,791
RU-->DE (DE)	190.7%	74.7%	923,039,191	318.9%	77.1%	2,521,103,826
DE-->PL (DE)	34.6%	75.1%	123,999,117	54.2%	54.2%	44,897,606
ES-->PT (ES)	65.4%	76.5%	119,297,619	90.5%	91.6%	18,804,342
RO-->BG (BG)	76.2%	77.5%	701,064,000	74.3%	77.4%	701,724,795
DE-->CZ (CZ)	63.2%	77.6%	368,054,349	80.0%	83.3%	1,447,273,075
CZ-->SK (CZ)	54.2%	80.5%	579,510,974	45.8%	80.6%	532,164,357
AT-->IT (IT)	82.7%	82.9%	1,045,777,431	71.6%	72.7%	1,049,475,425
ES-->PT (PT)	83.8%	83.8%	114,754,231	19.1%	91.9%	31,660,923
NO-->DE (DE)	549.3%	84.1%	893,570,948	1295.6%	97.6%	1,010,696,118
CZ-->DE (DE)	124.9%	84.2%	754,790,800	50045.7%	86.8%	862,538,086
AT-->HU (HU)	181.0%	87.0%	73,116,359	63.2%	25.8%	191,107,174
AT-->SK (SK)	0.0%	88.5%	103,192,955	N/A	N/A	N/A
PL-->DE (DE)	87.7%	94.9%	949,154,968	N/A	N/A	N/A
PL-->DE (PL)	79.3%	96.5%	936,146,159	N/A	N/A	N/A

Annex IV: List of abbreviations & country codes

Acronym	Definition
ACER	Agency for the Cooperation of Energy Regulators
CAM	Capacity Allocation Management (Gas)
CMP	Congestion Management Procedures (Gas)
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
IP	Interconnection Point
LT UIOLI	Long-Term Use-It-or-Lose-It
NC	Network Code
NRA	National Regulatory Authority
OS&BB	Oversubscription and Buy Back
TSO	Transmission System Operator

Acronym	Country
AT	Austria
BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
ES	Spain
FI	Finland
FR	France
EL	Greece
HR	Croatia
HU	Hungary

Acronym	Country
IT	Italy
IE	Ireland
LT	Lithuania
LV	Latvia
LU	Luxembourg
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SK	Slovakia
SI	Slovenia
UK	United Kingdom

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