



European Union Agency for the Cooperation
of Energy Regulators

ACER technical workshop: amending the network code on capacity allocation mechanisms in gas transmission systems

9 July 2024

PUBLIC

Housekeeping rules



Questions shall be posed using the Slido tool within Microsoft Teams

Use direct link:

<https://app.sli.do/event/9u6VEDmhFMYx1RWrnLio6G>



Keep your microphone muted unless the chair gives you the floor

Questions from other participants can be 'liked' to increase their visibility



Slides from this webinar will be uploaded to ACER website

Substance-related questions will be addressed during the relevant Q&A session; although they can be posed at any point



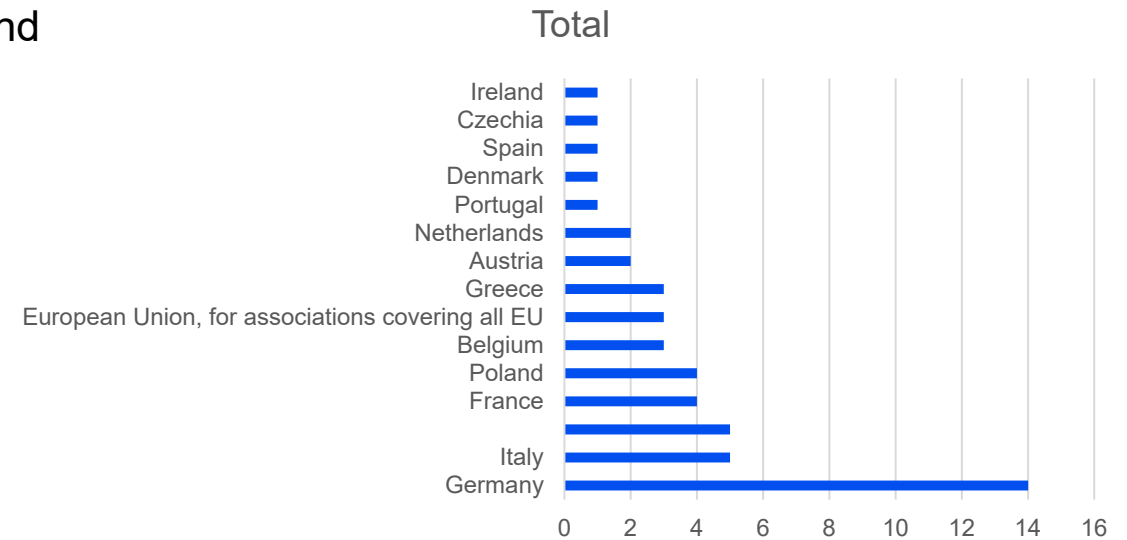
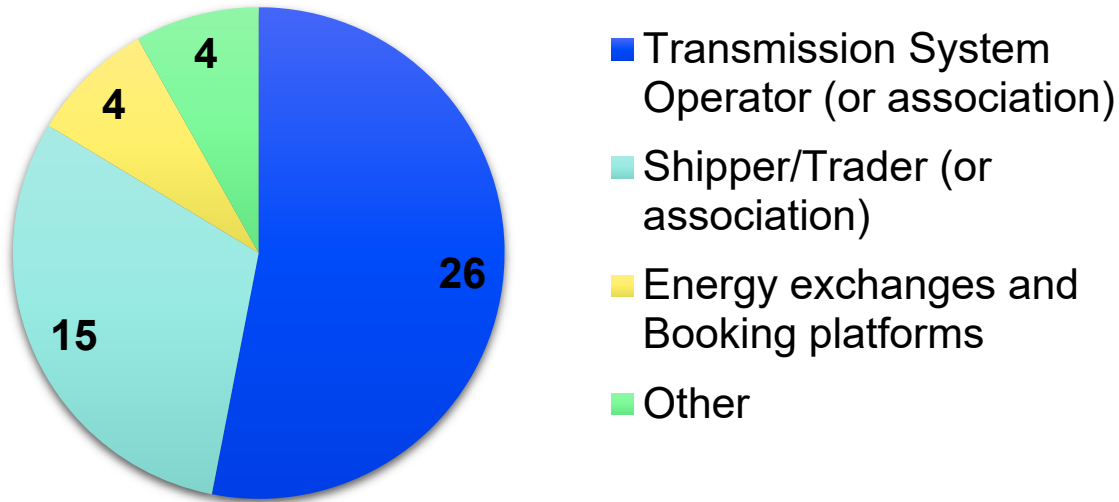
Indicative time	Webinar items	
08:50 - 09:00	Webinar open for log-in	Starts promptly at 09:00
09:00 - 09:10	Introductory Remarks Nico KEYAERTS, ACER Edouard LE BRET, CRE - chair of ACER CAM Task Force	
09:10 - 09:40	Technical discussion I: maximising the offer of interruptible capacity: the case of offering unlimited volumes under tight market conditions Johannes LAMBERTZ, FNB Gas Pawel LONT, Energy Traders Europe	
09:40 - 10:10	Technical discussion II: 'Balance of Month': how to properly design a capacity product that efficiently matches with the commodity market? Pawel LONT, Energy Traders Europe Karolina GOLONKA, ENTSOG	
10:10 - 10:40	Technical discussion III: Raising robustness of non-binding demand expressions in incremental processes by means of fees and deposits Karolina GOLONKA, ENTSOG Pawel LONT, Energy Traders Europe	
10:40 - 10:55	Q&A on polling questions	
10:55 - 11:00	Closing Remarks Nico KEYAERTS, ACER Edouard LE BRET, CRE - chair of ACER CAM Task Force	

Introductory remarks

Nico KEYAERTS, ACER

Edouard LE BRET, CRE-ACER CAM TF chair

REPRESENTATION OF STAKEHOLDERS (49 RESPONDENTS)



Technical discussion I

Maximising the offer of interruptible capacity: the case of offering unlimited volumes under tight market conditions

Johannes LAMBERTZ, FNB Gas

Pawel LONT, Energy Traders Europe

Regulatory background

Acc. to Art. 32 NC CAM:

An interruptible product will be offered if the respective firm product

- is sold out,
- is sold with an auction surcharge or
- is not offered at all

Acc. to Gas Grid Access Ordinance (Germany):

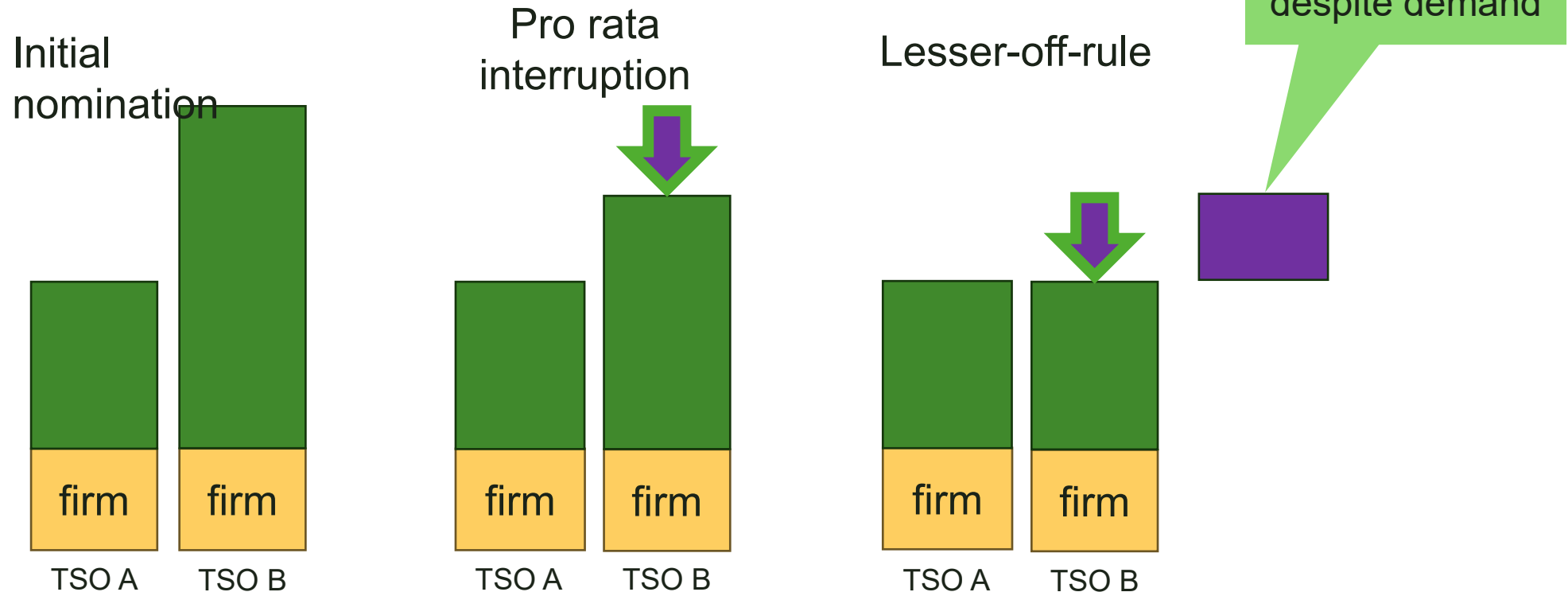
TSOs have to offer firm and interruptible capacities on a yearly, quarterly, monthly, daily and within-day basis

There is no legal limit to the offer of interruptible capacity

Some European TSOs offer infinitive interruptible capacity

Issue description

- **Phenomenon:** Underutilization of transport capacity despite massive over-demand
- **Preconditions:**
 - Massive price-spreads which lead to massive over-demand of interruptible capacity
 - Infintive offer of interruptible capacity



Limitation of interruptible capacity (Entry VIP THE-ZTP)

- **Background/Issue**
 - Willingness to pay cannot be expressed via auction-premiums but via quantity
 - Massive price-spreads between ZTP and THE lead to an enormous over-demand
 - Reason for this behavior: pro rata interruption (booking time stamp is identical)
- **Limitation of interruptible capacity**
 - Start: 04.05.2022
 - To the physical transport capability minus firm capacity
 - Yearly, quarterly, monthly, daily
 - → Within-day stays unlimited due to over-nomination procedure
- **Solution**
 - Give TCs the opportunity to express their willingness to pay via auction premium

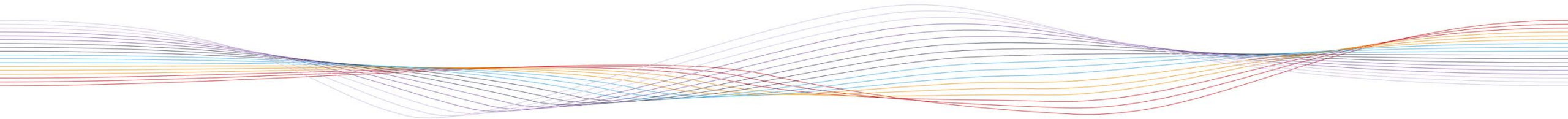


Only necessary in very rare situations

CAM NC revision

Shipper perspective on

- Unlimited offering of interruptible products – we see no need to artificially limit the offering of interruptible products. Demand for this products should fall along with the growing risk of interruption. Greater transparency on availability of capacity will support this interaction.
- BoM products & offering of BoM capacity – the majority supports establishing BoM as separate capacity products to match the products traded on the market.
- Raising robustness of non-binding expression of interest – we would like hear about experiences with administrative fees as such until now. Few incremental processes were successful until now and a high fee can discourage participation unless it is clear that the process may go forward.



Technical discussion II:

‘Balance of Month’: how to properly design a capacity product that efficiently matches with the commodity market?

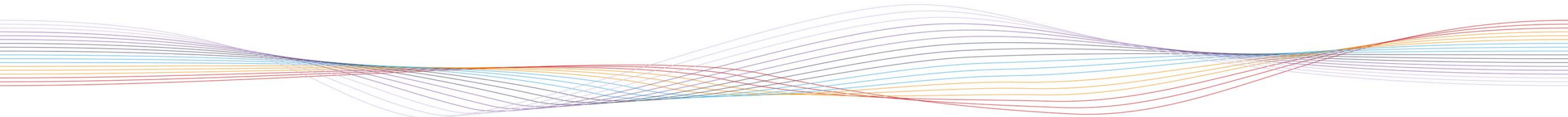
Pawel LONT, Energy Traders Europe

Karolina GOLONKA, ENTSOG

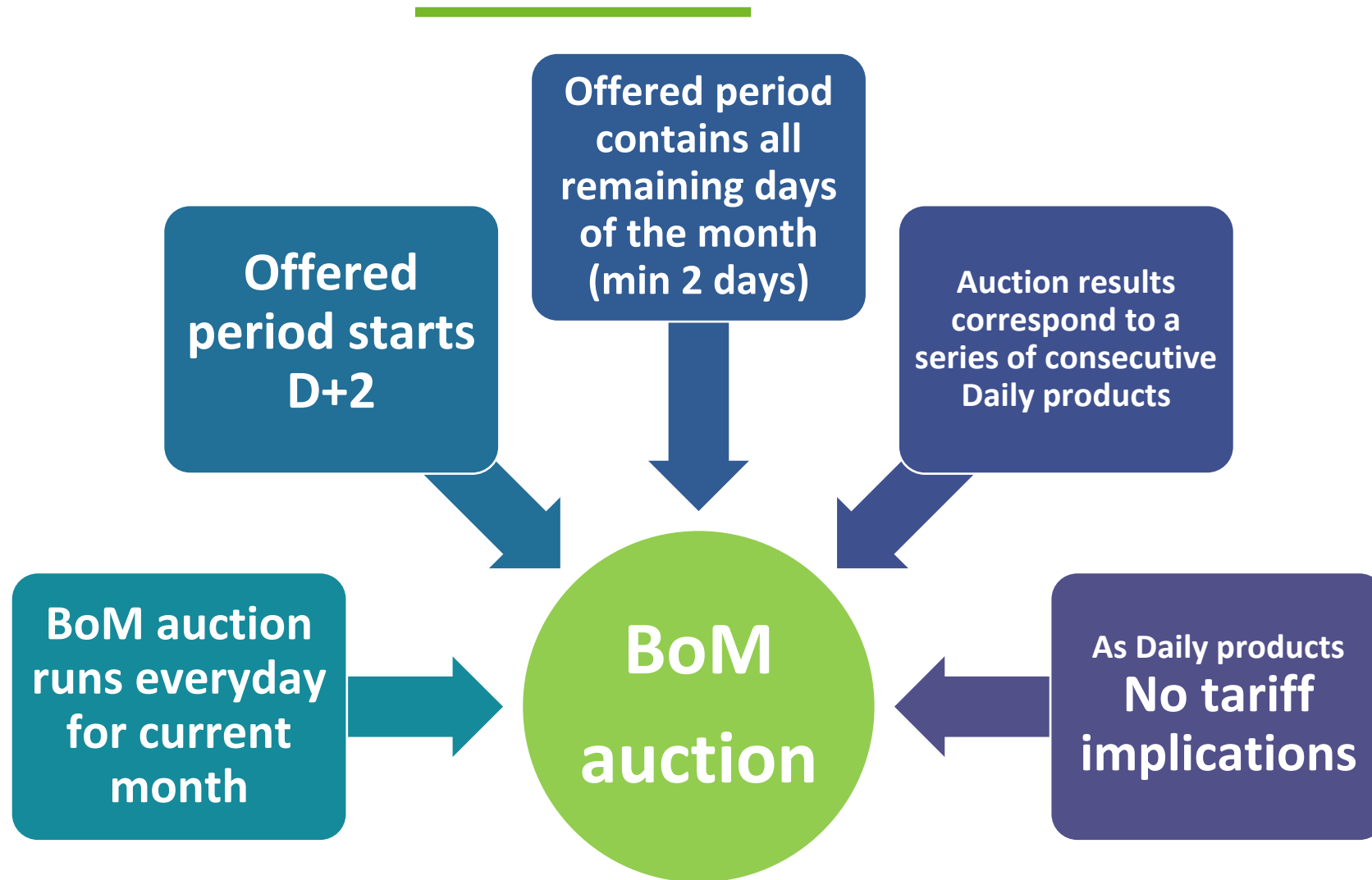
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ENTSOEG proposal: 'Balance of Month' AUCTION offering DAILY PRODUCTS



Technical discussion III:

Raising robustness of non-binding demand expressions in incremental processes by means of fees and deposits

Karolina GOLONKA, ENTSOG

Pawel LONT, Energy Traders Europe

Raising robustness of non-binding demand expressions in incremental processes by means of fees and deposits



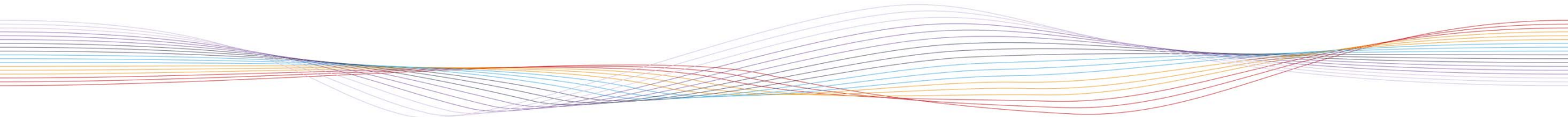
	Administrative fee	Collateral/deposit	Reasoning behind the proposal
Role	Covering TSOs costs of running the process	To confirm seriousness of request	– To make the process more efficient: will stop the process if there is no serious request.
Approved by NRA	Yes	No	
Returned to shipper	Yes*	Yes*	
Obligatory?	No	No	

*if the conditions are met

CAM NC revision

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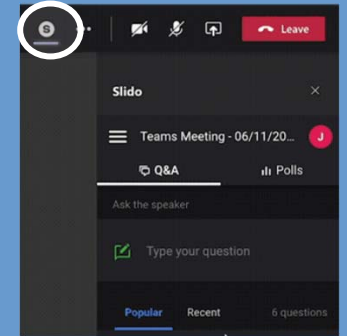


Q&A session

Connect to Slido

- Directly in MS Teams
- Through www.slido.com #CAMNC
- Scan QR code
- Use direct link:

<https://app.sli.do/event/9u6VEDmhFMYx1RWrnLio6G>



Question 1: Duration of ACA auction rounds: how much time do shippers need to implement the booking strategies across multiple ACA auctions? How much time do booking platform operators need to organize orderly ACA auctions?

- Duration of first round (single choice)
- Duration of other rounds (single choice)
- Intervals between rounds (single choice)

Question 2: Would you prefer to have yearly, quarterly and monthly interruptible capacity products offered with ACA (and risk to have no allocation) or UPA (and do not price discovery)? (single choice)

Question 3: What is your view on introducing the option for TSOs to decide jointly to terminate an ACA auction that is at risk of not allocating capacity (enabling a UPA to be organised)? (single choice)

Connect to Slido

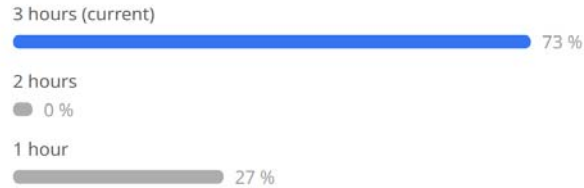
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Multiple-choice poll

Survey (1/5) 0 1 5

Question 1: As a shipper, how much time would you need to implement the booking strategies across multiple ACA auctions? As a booking platform operator, how much time is required to organize orderly ACA auctions? Duration of ACA auction rounds - 1st round



Multiple-choice poll

Survey (2/5) 0 1 5

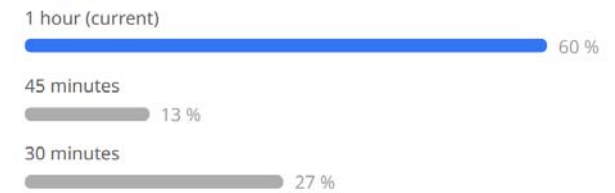
Question 1: Duration of ACA auction rounds - other rounds



Multiple-choice poll

Survey (3/5) 0 1 5

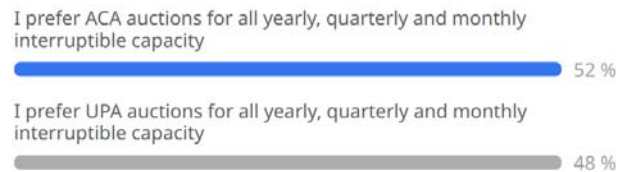
Question 1: Duration of interval between ACA auction rounds



Multiple-choice poll

Survey (4/5) 0 2 3

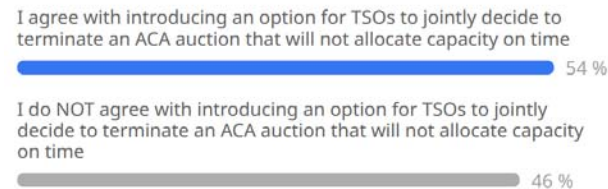
Question 2: Would you prefer to have yearly, quarterly and monthly interruptible capacity products offered with ACA (and risk to have no allocation) or UPA (and do not price discovery)?



Multiple-choice poll

Survey (5/5) 0 2 6

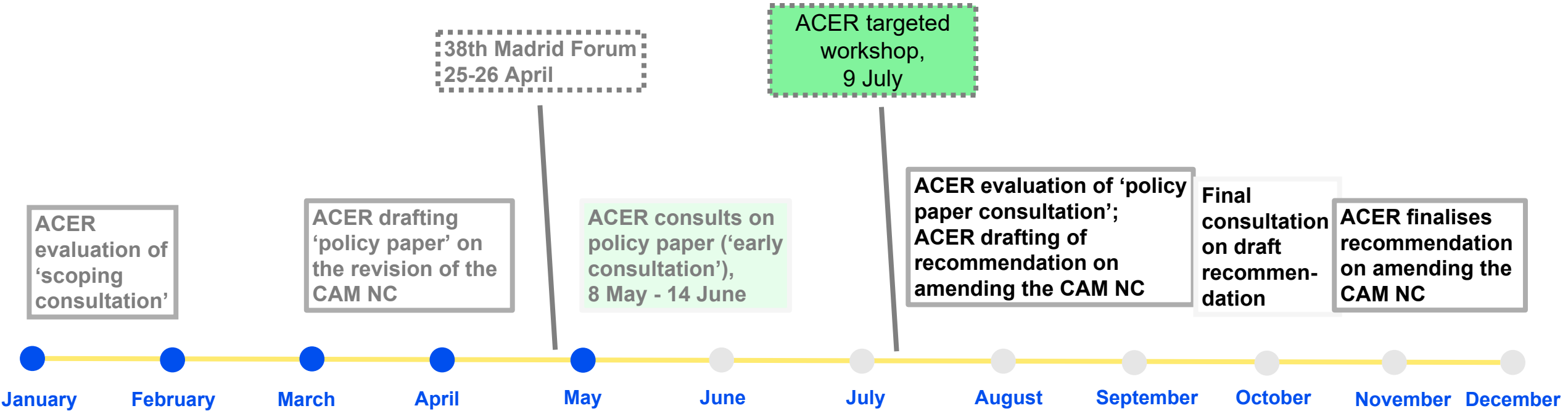
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Closing remarks

Nico KEYAERTS, ACER

Edouard LE BRET, CRE-ACER CAM TF chair



Thank you. Any questions?

gas_cam_nc@acer.europa.eu

The contents of this document do not necessarily reflect the position or opinion of the Agency.



European Union Agency for the Cooperation
of Energy Regulators

✉ info@acer.europa.eu
🖱 acer.europa.eu

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