



# Enagás, GRTgaz, REN and TIGF

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**22<sup>nd</sup> SG meeting**

**16<sup>th</sup> March 2015**



TIGF

## **II.1 Results of the auctions using PRISMA**

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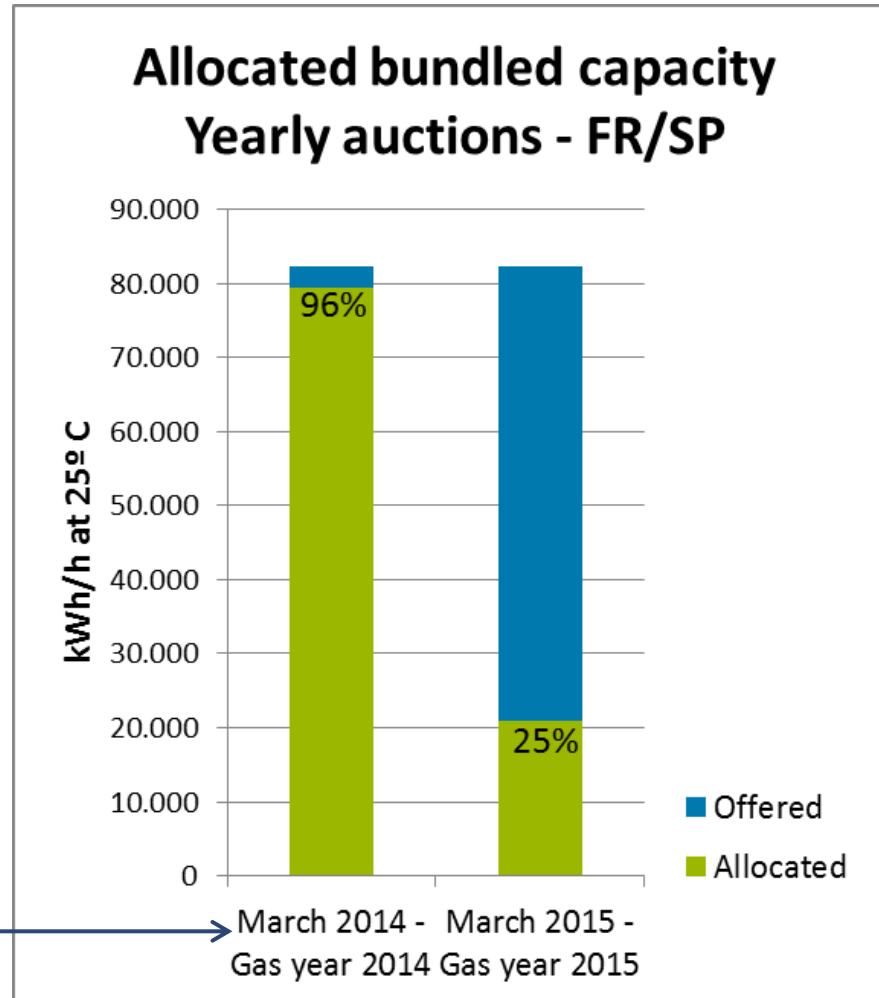
Enagás, TIGF and REN have developed an early implementation of the Commission Regulation 984/2013:

- ✓ Capacity auctions have been held on PRISMA booking platform from March 2014 (Yearly Auction)
- ✓ Current registrations on PRISMA:
  - ✓ On Enagás side: 31 Shippers and 91 Network Users
  - ✓ On REN side: 9 Shippers and 17 Network Users
- ✓ From March 2014 until March 2015:
  - ✓ 109 auctions - 17 participating Shippers
  - ✓ 24 auctions in which capacity has been allocated
- ✓ Next slides: final results of the auctions where capacity has been allocated

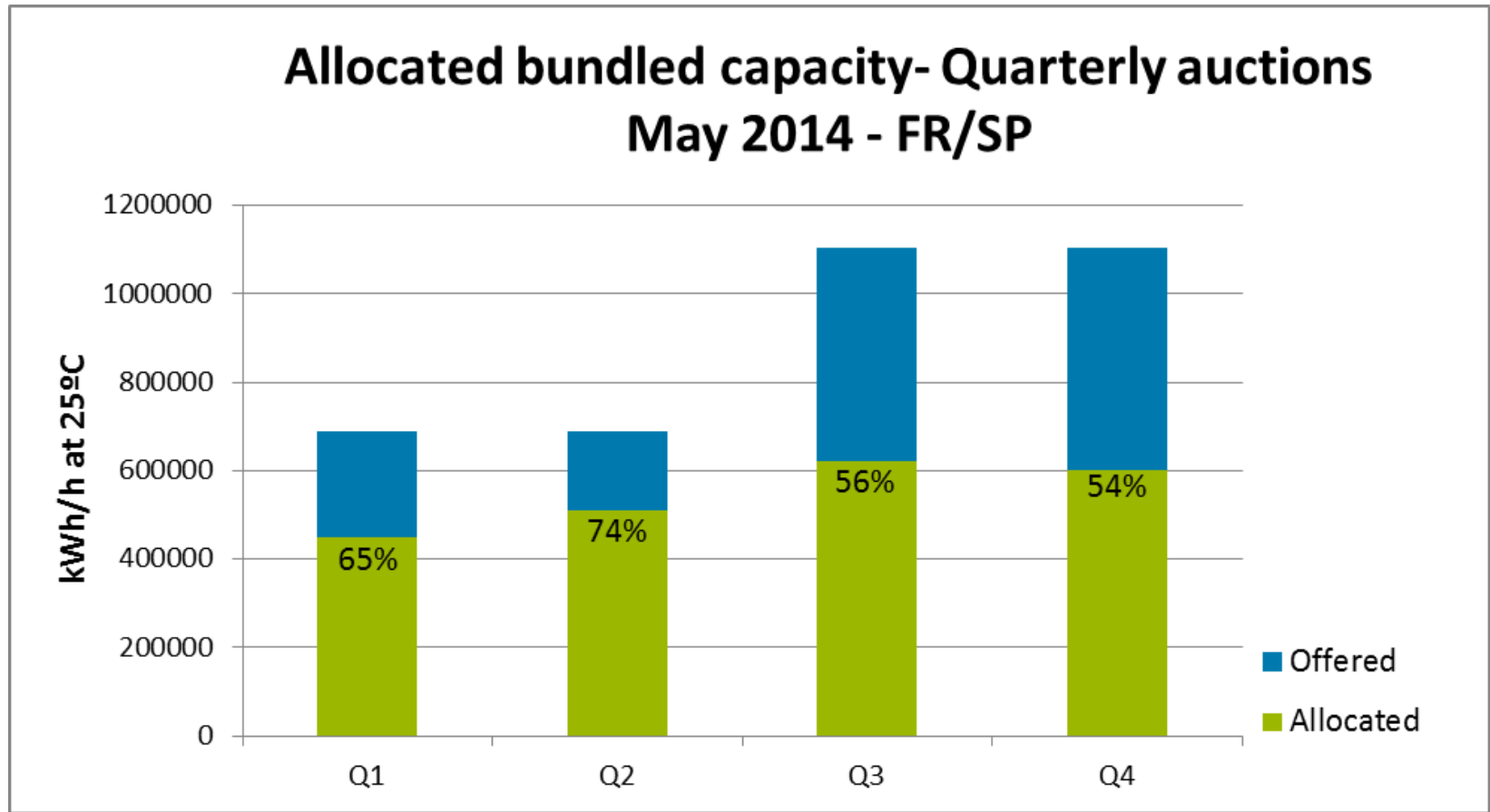
## II.1 Annual yearly capacity auctions VIP PIRINEOS

For the Gas year 2014, all unbundled capacity offered (FR/SP) has been allocated

Price step: 3.1

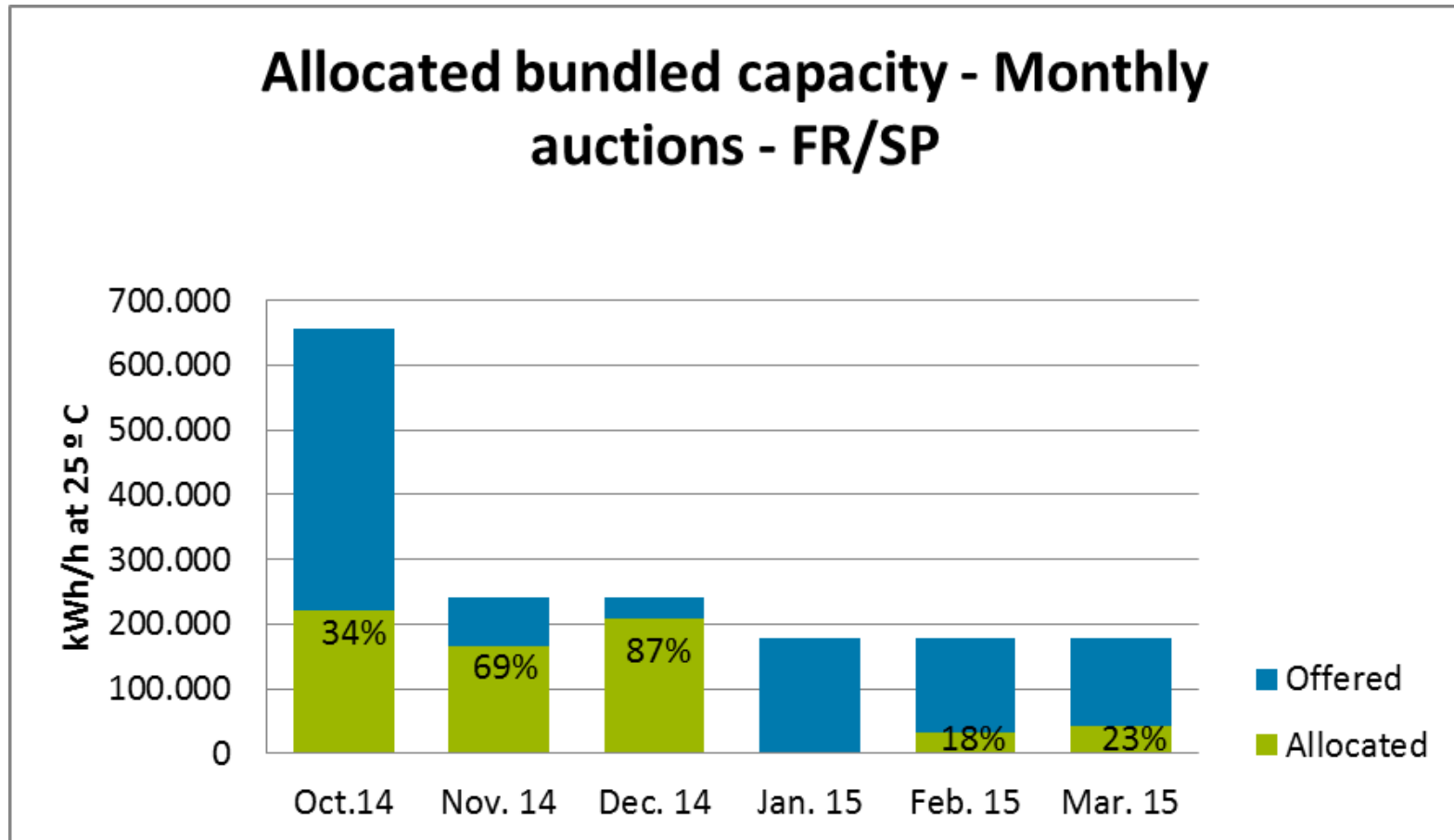


## II.1 Annual quarterly capacity auctions VIP.PIRINEOS

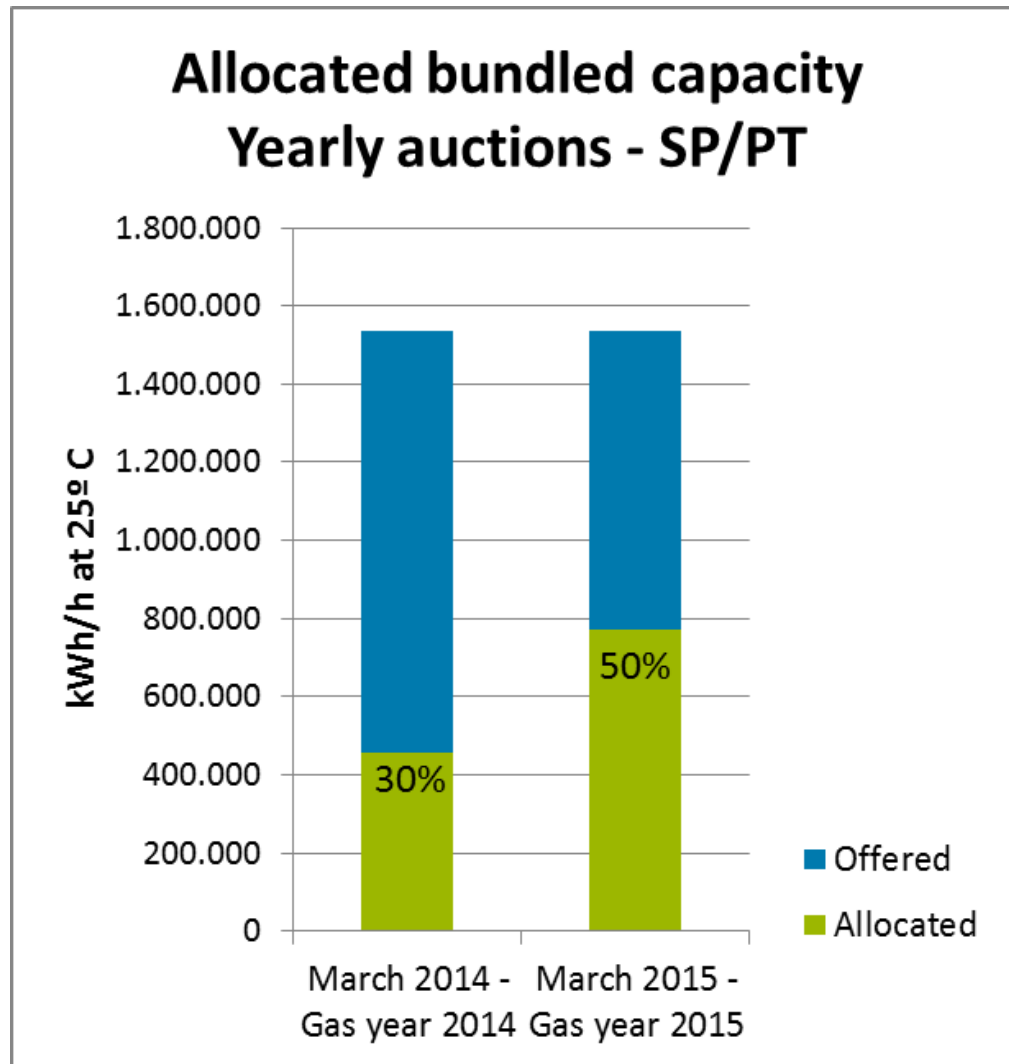


Price step: 1.1

## II.1 Rolling monthly capacity auctions VIP.PIRINEOS

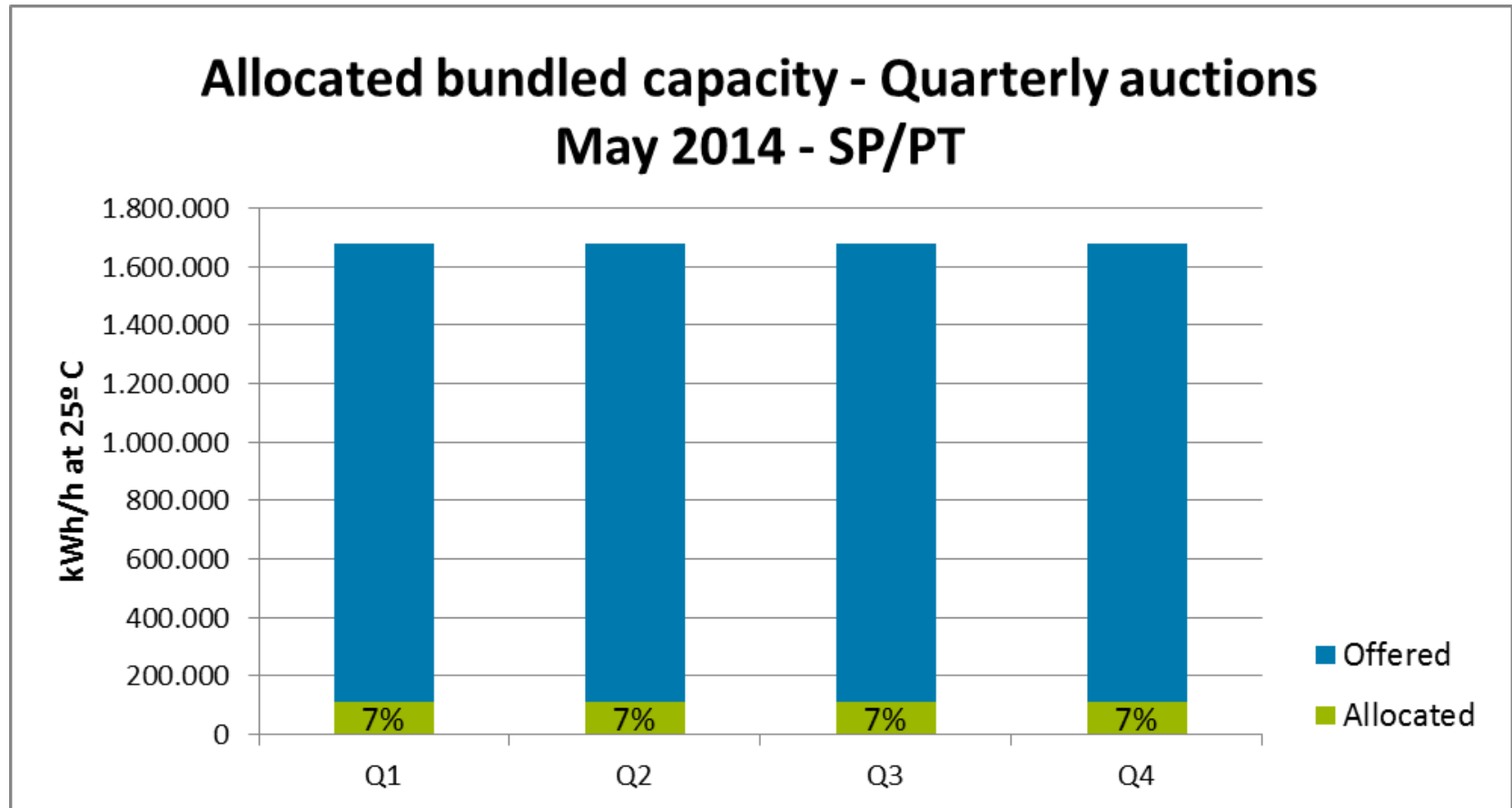


## II.1 Annual yearly capacity auctions VIP.IBERICO



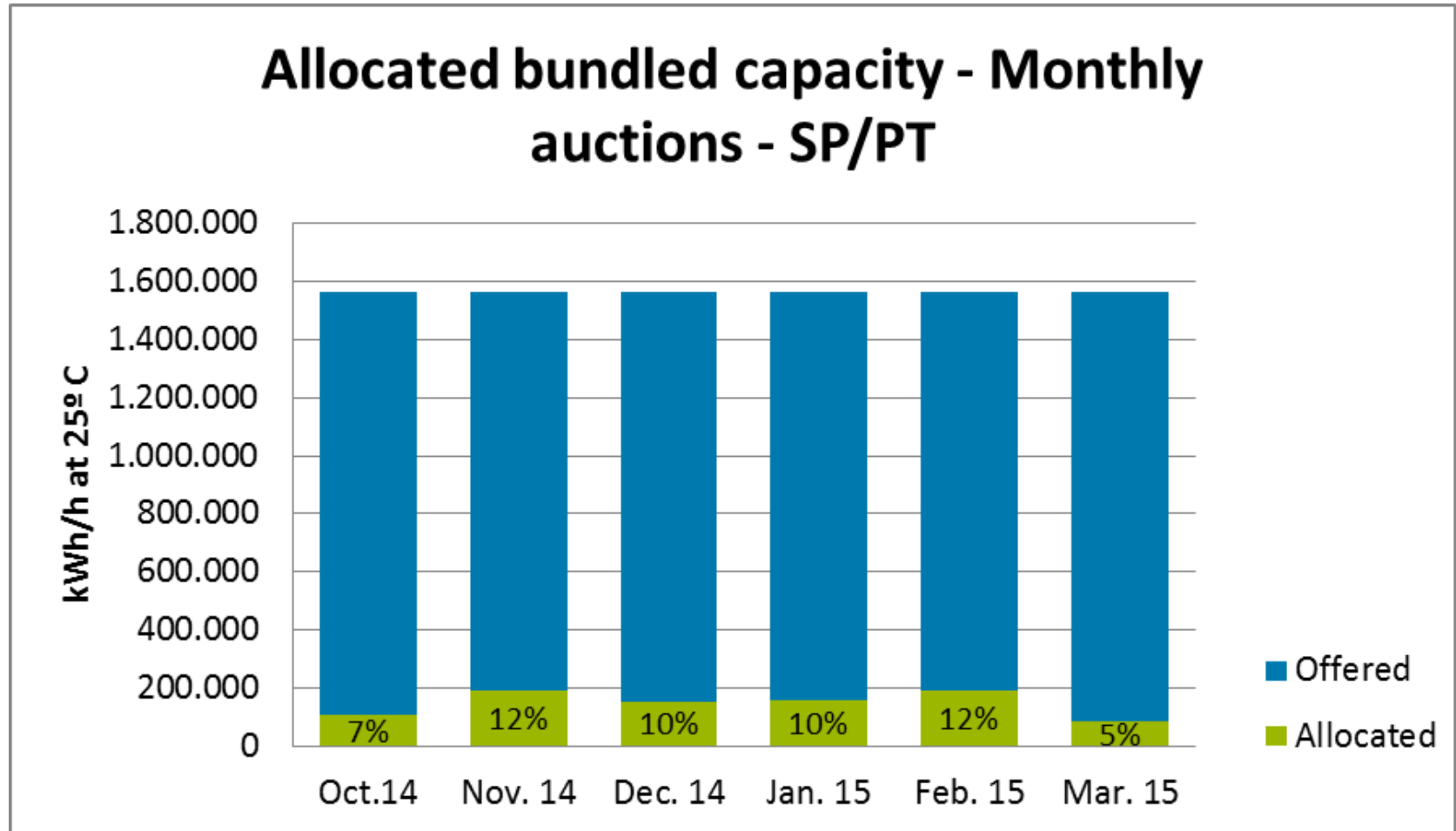
Unbundled capacity allocated  
(SP/PT)  
Gas year 2014 **94%**  
Gas year 2015 **95%**

## II.1 Annual quarterly capacity auctions VIP.IBERICO





## II.1 Rolling monthly capacity auctions VIP.IBERICO





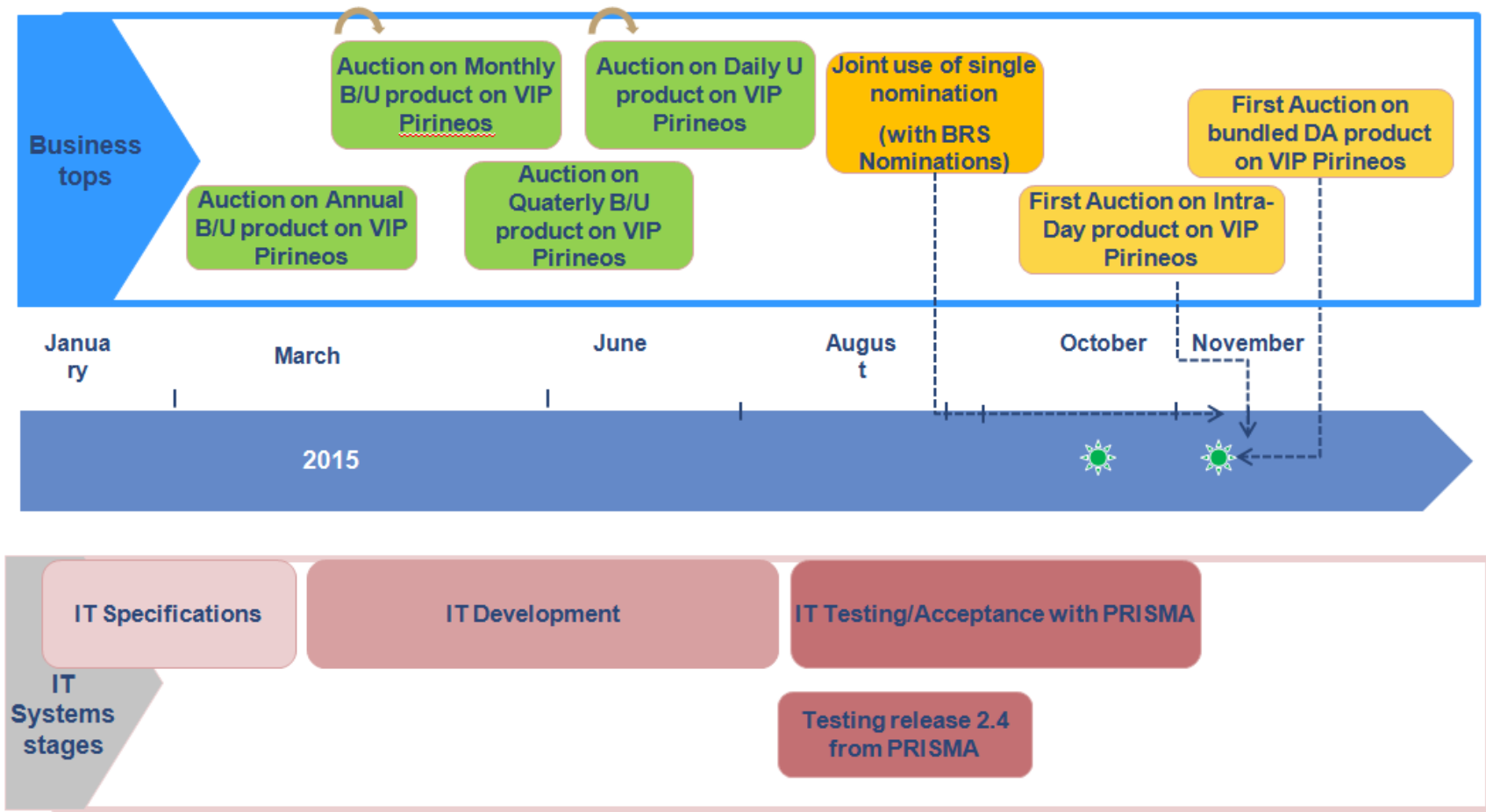
TIGF

## **II.2 Status of the IT systems for the preparation of the first daily auction**

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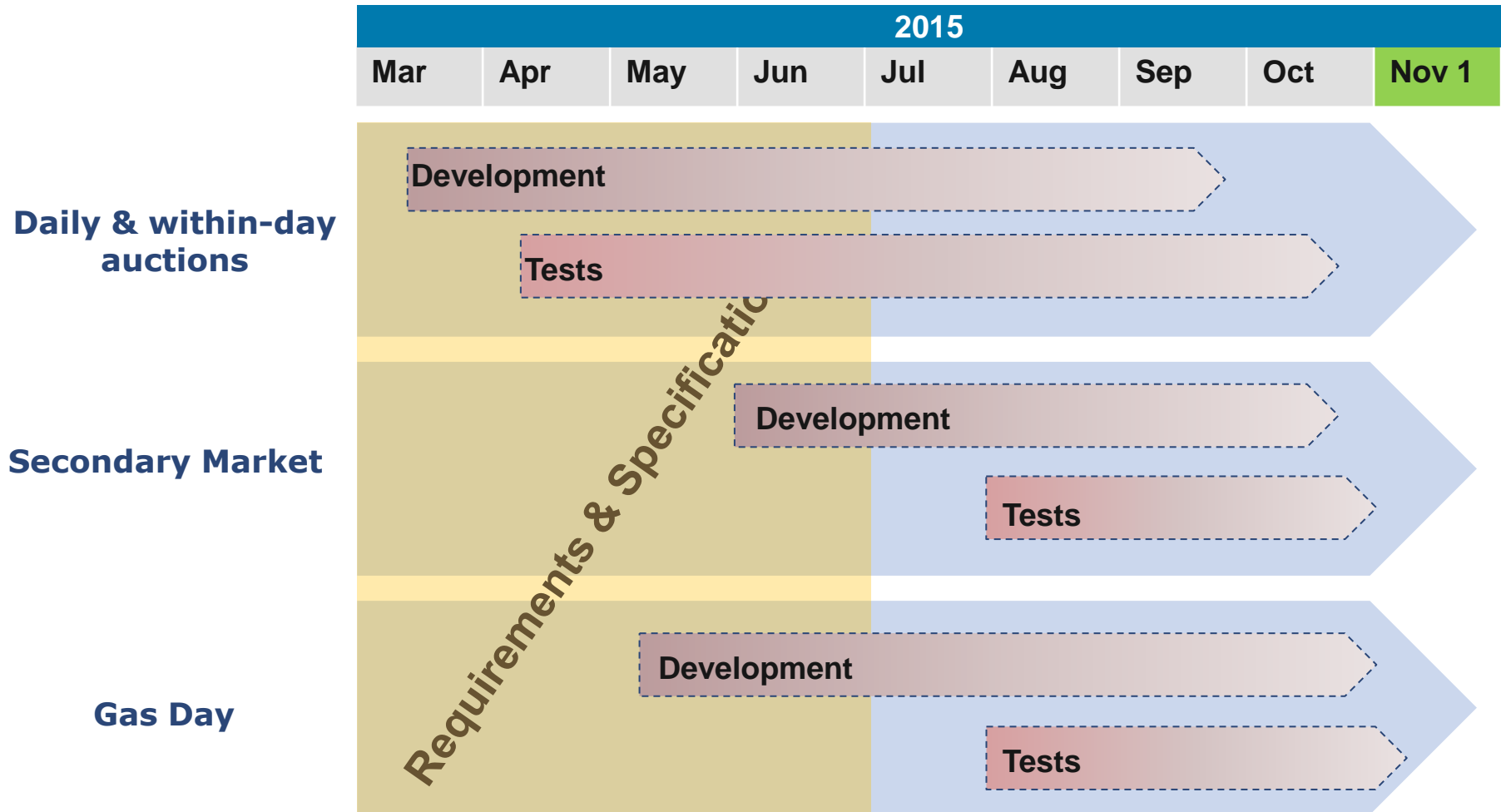
# II.2 Status of the IT systems for the preparation of the first daily auction

## TIGF roadmap



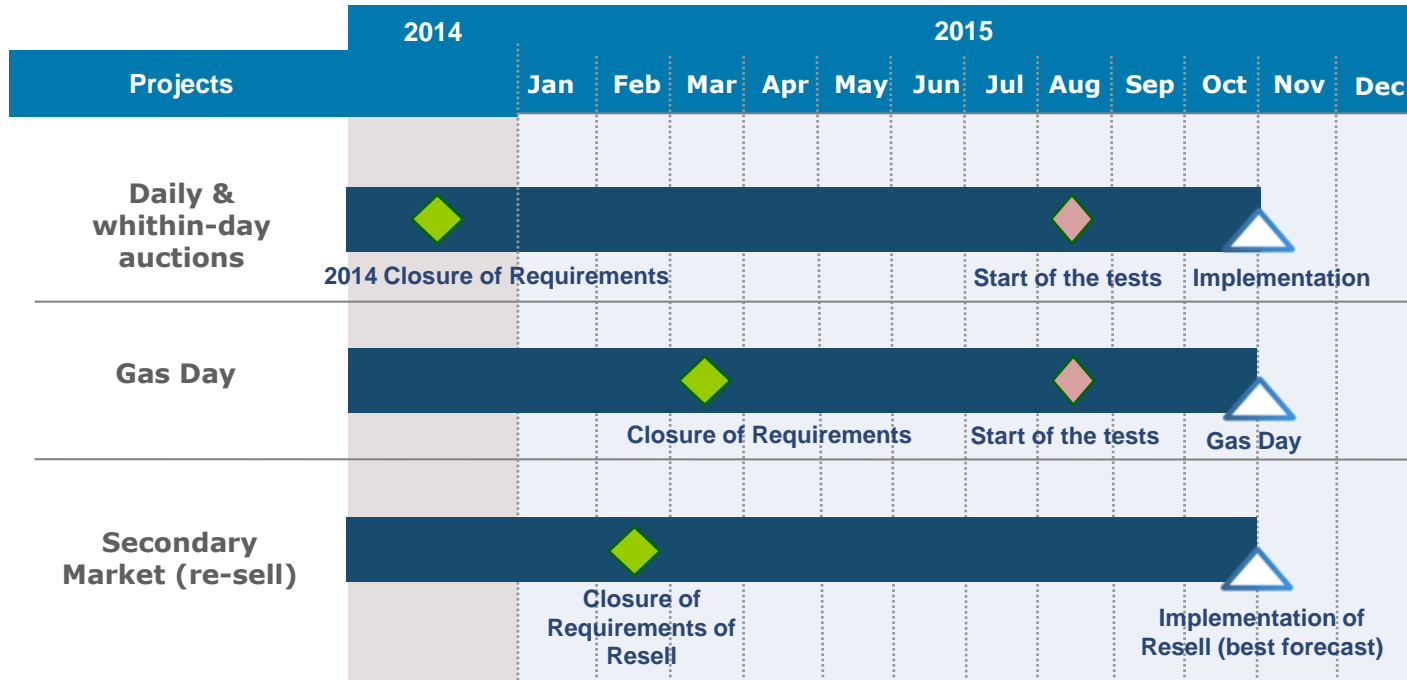
# II.2 Status of the IT systems for the preparation of the first daily auction

## REN roadmap



# II.2 Status of the IT systems for the preparation of the first daily auction

## Enagás Project Planning 2015



## II.2 Status of the IT systems for the preparation of the first daily auction

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### Developments resulting from the implementation of the CAM NC

- Harmonisation of the gas day in the related IPs:
  - from **5:00 to 5:00 UTC** the following day for winter time and from **4:00 to 4:00 UTC** the following day when daylight saving is applied
- Early implementation of BAL NC:
  - Single-side nomination
  - Renomination cycle every two hours

**The mentioned developments will be implemented as from 1 November 2015**

# II.2 Status of the IT systems for the preparation of the first daily auction

## Developments resulting from the implementation of the CAM NC

### Common roadmap

2015





TIGF

## **II.3 TSOs proposal of common methodology to maximize technical capacity**

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## II.3 TSOs proposal of common methodology to maximize technical capacity

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With the scope of maximizing the offer of bundled capacity, a **joint method for optimization of technical capacity has been established and applied for several years for all the interconnections** between TIGF and Enagás, as well as between REN and ENAGAS, despite no related documentation has been published.

This joint method:

- ✓ Includes an in-depth analysis of the technical capacities
- ✓ Solves discrepancies therein on both sides of an interconnection point
- ✓ Establishes a detailed timetable in line with possible regulatory requirements and commercial needs.
- ✓ Is consistent with National Investment Plans and Union-wide TYNDP assumptions.
- ✓ Takes into consideration the best information provided by the market regarding future flows
- ✓ Is regularly updated, especially when critical changes in demand or infrastructures are identified

## II.3 TSOs proposal of common methodology to maximize technical capacity

1. Agreement in **DEMAND** criteria's regarding design scenarios for calculations: Worst case scenario is selected for each direction:

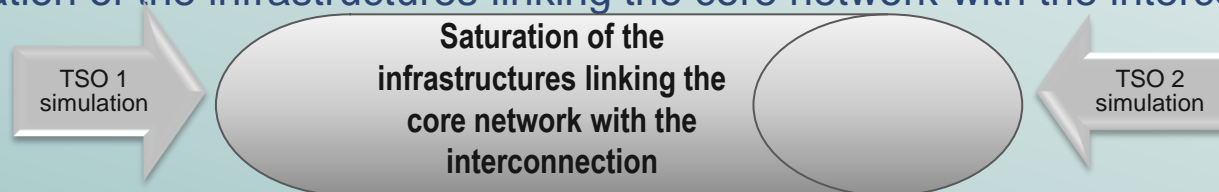
- Import point of view → summer average demand
- Export point of view → peak demand.

2. Agreement in terms of **INFRASTRUCTURES** and **OPERATIONAL SETTINGS**:

- Infrastructure scenarios
- Commission of new investments
- Operational settings for compressor stations or other relevant points in the network

3. Agreement in **SIMULATIONS**:

Saturation of the infrastructures linking the core network with the interconnection



1. **VIP Pirineos**: agreed conditions between 2 Compressor Stations → **Equivalent to 1 single simulation**
2. **VIP Iberico**: agreed condition is the Border pressure → **lesser rule should be applied to the capacity calculated by each TSO.**

## II.3 TSOs proposal of common methodology to maximize technical capacity

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- Results calculated on each side are contrasted during several meetings and discussions until reaching a decision of the maximum technical capacity.
- Calculation Updates
  - ✓ **Once a year**
  - ✓ Nevertheless, each TSO reserves the right to review the capacity value in case of critical changes such as unpredictable demand variations at wide or local level, in case of commissioning of new infrastructures that may have an impact in cross-border capacities, or changes in the operative conditions of any facility working in the network.
  - ✓ Two year period → If no changes in the main assumptions



## II.3 TSOs proposal of common methodology to maximize technical capacity

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### ➤ ALREADY DONE:

- Questionnaire submitted to ENTSOG
- Technical note regarding VIP Pirineos calculation submitted to NRA's

### ➤ FOLLOWING STEPS:

- Feedback and expectations from Regulators
- Methodology should be published? If so, regulatory treatment

Further details of the technical capacity calculation and optimisation can be found on TIGF, REN and Enagás websites:

<http://www.tigf.fr/en/what-we-can-offer/transport/capacity-trading/capacity-calculation.html>

<https://www.ign.ren.pt/web/guest/sub-regulamentacao> (Procedure n.º 1)

<http://www.enagas.es/stfls/EnagasImport/Ficheros/667/432/NGTS%20-actualizaci%C3%B3n%20dic-13,0.pdf> (NGTS-02)

<http://www.enagas.es/stfls/EnagasImport/Ficheros/912/744/PD%20-actualizaci%C3%B3n%20may-13.pdf> (PD-10)



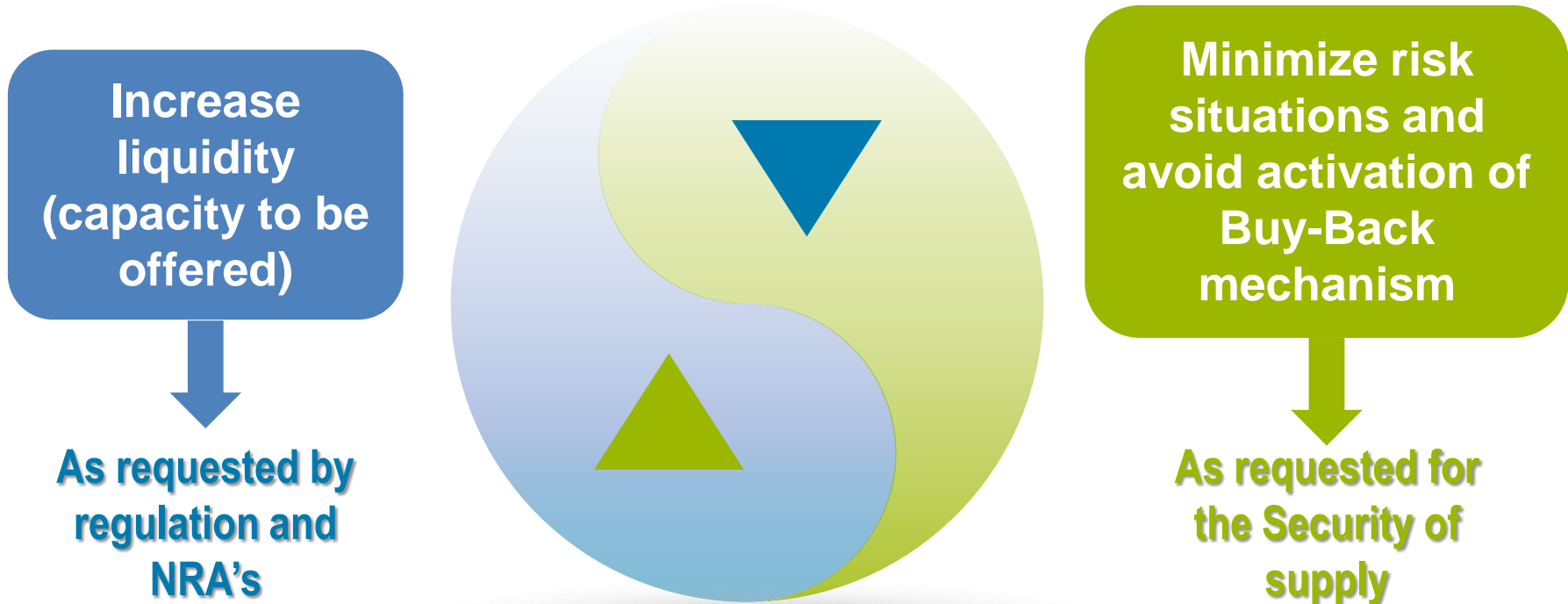
TIGF

## **III. 1 Common OSBB methodology in the Region**

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## III.1 Methodology: Additional capacity to be offered

This proposal comes up in response to the provisions established in Circular 1/2013 of CNMC regarding CMP implementation, as well as to the decisions adopted in the 14<sup>th</sup> RCC meeting that took place on the 5<sup>th</sup> of June 2014.



# III.1 Methodology: Additional capacity to be offered

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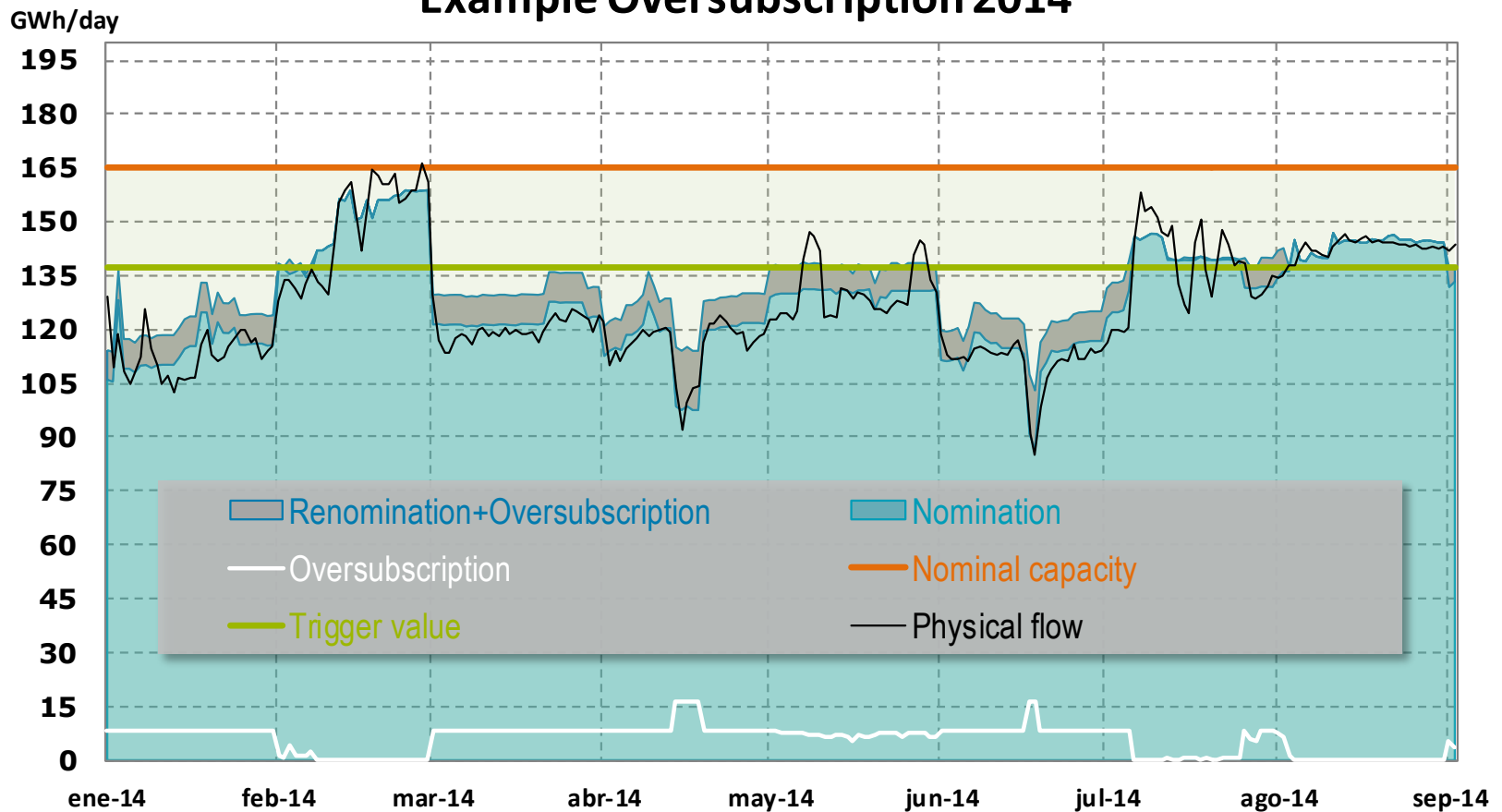
## Main principles of the Methodology

1. The aim of the methodology is based on the difference between the nomination and renomination.
2. Additional capacity will be offered on daily basis, taking into account the maximum historical deviation between nomination and renomination.
3. There is a nomination value (Trigger Value) from which offered additional capacity is 0 GWh / day.

# III.1 Methodology: Additional capacity to be offered

## Contrasting example VIP PIRINEOS

### Example Oversubscription 2014





# III.1 Methodology: Additional capacity to be offered

## Implementation

**Additional capacity won't be offered before April 2016**

**NO Additional capacity** will be offered for the day D in case of:



- ✓ Special programmed operations between both TSOs.
- ✓ Emergency situations that might activate other processes or agreements
- ✓ Shippers or TSOs IT System failures
- ✓ TOSs justified intervention

**ANNUAL REPORT.**

**Annual update of fixed parameters if needed**

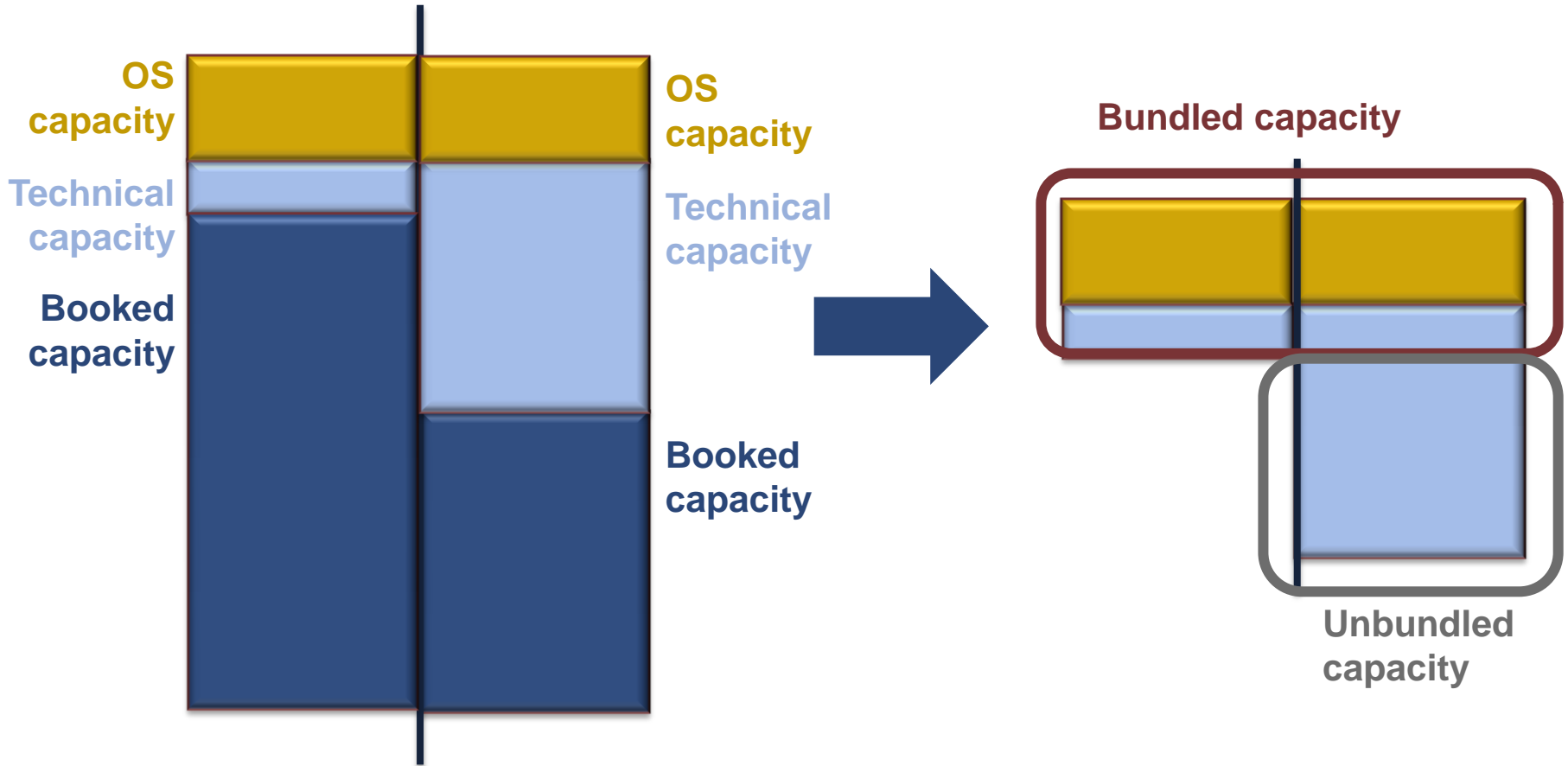
## III.1 How to offer OS capacity

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- OS capacity will be sold in the daily auction together with the available capacity.
  - If not sold, the OS capacity will not be reoffered again in the within-day auctions.
  - Otherwise, complexity will be increased, because OS capacity should be recalculated before each auction (time constrains).
- OS capacity will be sold as bundled.
  - The methodology proposed for calculating the OS capacity ensures that the OS capacity will be always the same at both sides of the VIP
  - Each TSO will upload at PRISMA its daily available capacity (technical + OS capacity)
  - PRISMA will apply the lesser value to determine bundled capacities. The remaining capacity, if any, will be sold as unbundled

# III.1 OS bundled capacity

Taking into account that the OS capacity is calculated based on nominations, the OS capacity will also be the same value OS capacity will be offered as bundled capacity



# III.1 Buy-back procedure

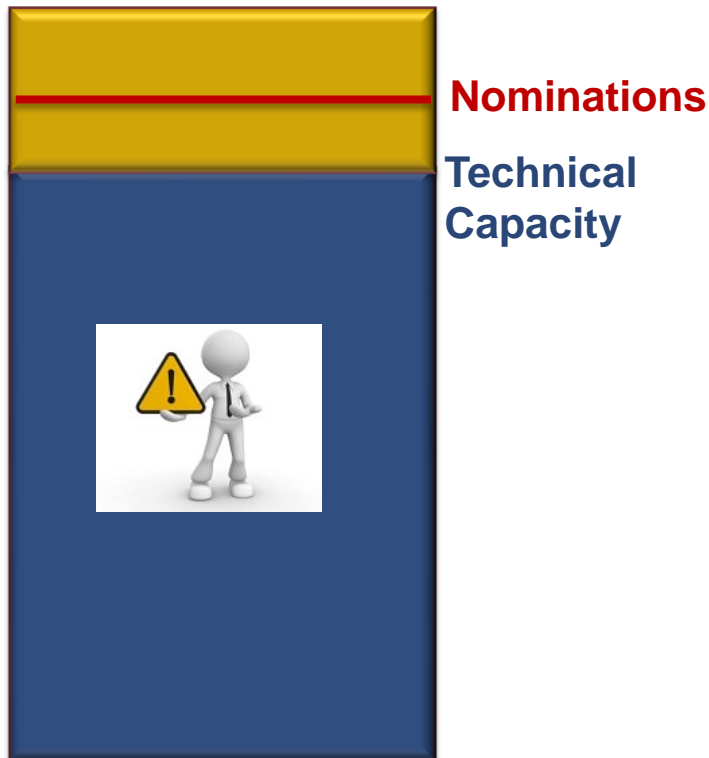
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## Phases

1. Evaluation about the need to buy-back capacity
2. Determination of the amount of capacity subject to buy-back
3. Communication to the adjacent TSO and shippers
4. Buy-back process
5. Reception and evaluation of the results
6. Confirmation of the final renominations

## III.1 When will the buy-back process be triggered?

If:  $\Sigma$  Net nominations > technical capacity  $\rightarrow$  technical and commercial measures and, if necessary, buy-back



### Merit order of technical and commercial measures before buying back the capacity:

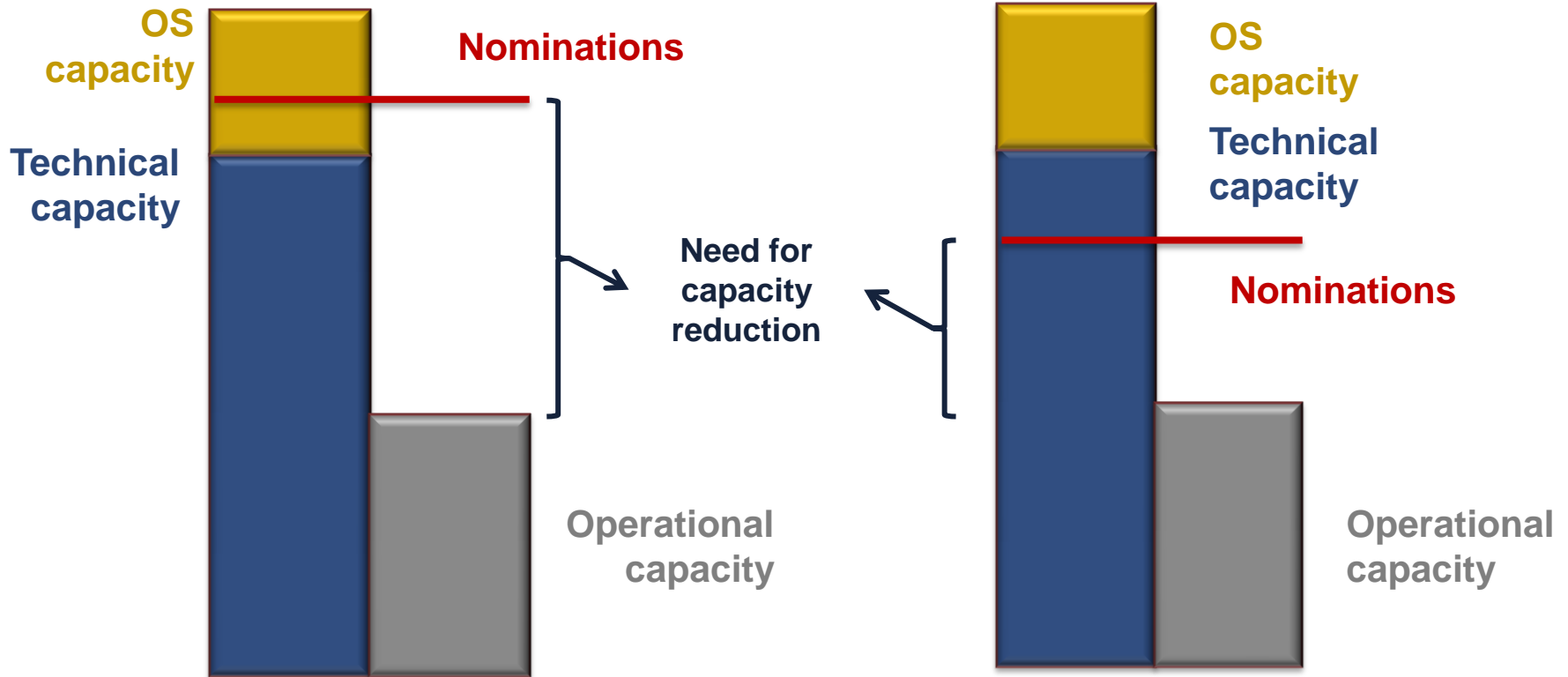
1. Management of the OBA
2. Interruption of the interruptible capacities under the following order:
  1. Within day interruptible capacity (overnomination)
  2. Daily interruptible capacity
  3. Monthly interruptible capacity
  4. Quarterly interruptible capacity
  5. Yearly interruptible capacity
3. Buy-back of oversubscribed capacity
4. Pro-rata between all firm capacities

# III.1 When will the buy-back process be triggered?

## Situations where the operational capacity is below the technical capacity

In this case BB should not be triggered, TSOs should apply the same procedure as currently in place

In this case it is clear that BB should not be triggered, TSOs should apply the same procedure as currently in place



## III.1 How much will be needed to buy-back?

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If:  $\Sigma$  Net nominations – OBA – Interruptible capacity > Technical capacity  $\rightarrow$  Buy-back process



The capacity subject to buy-back will be calculated as follows:

Buy-back capacity = Net nominations – OBA – Interruptible capacity – Technical capacity

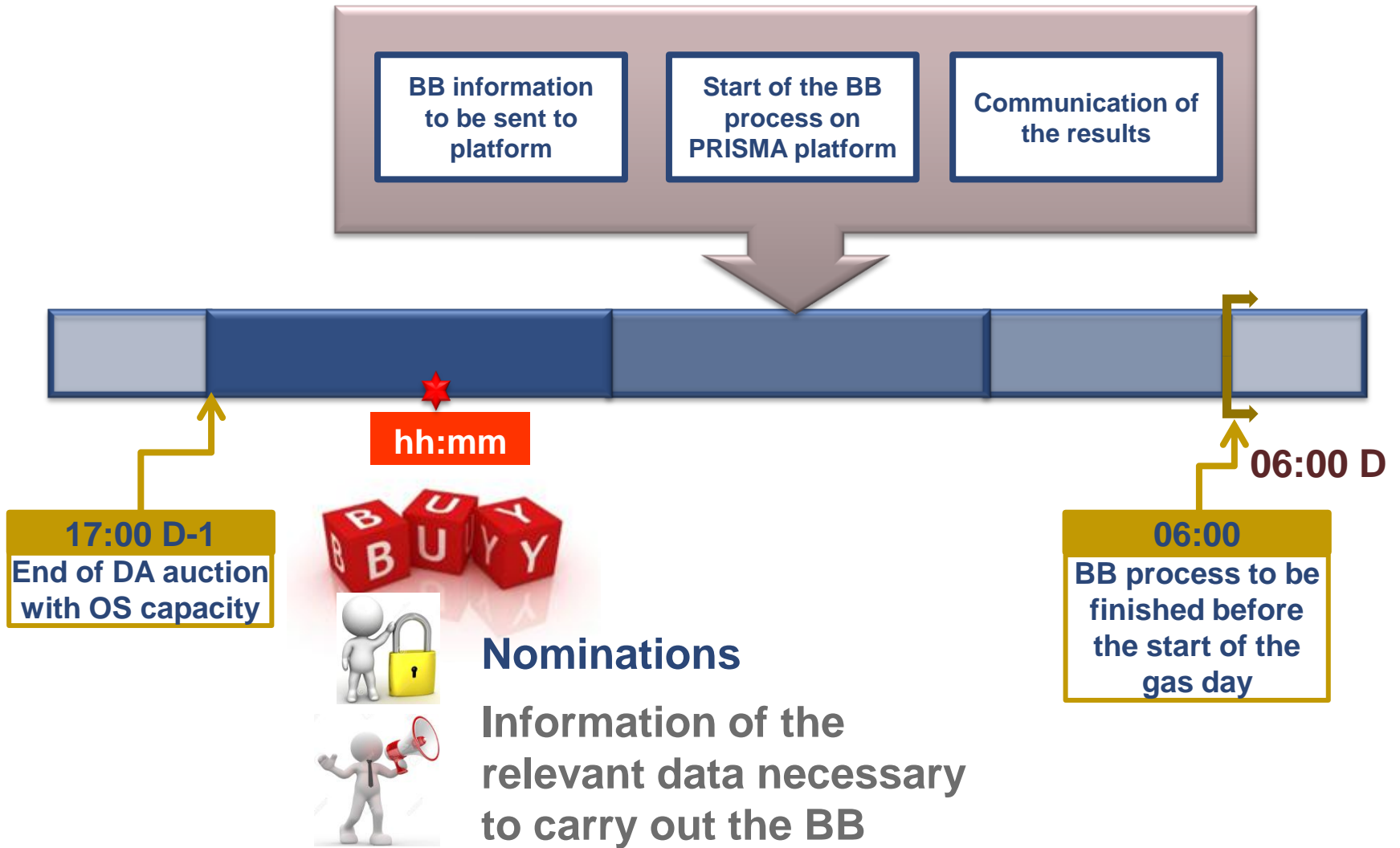
## III.1 Communication to the adjacent TSO & shippers

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- The TSO will inform the adjacent TSO about the need to buy-back capacity
- Shippers will be informed about the restriction of their re-nomination rights upwards.
- The TSO will inform shippers about:
  - The amount of capacity to be bought-back
  - The maximum price the TSO is willing to pay
  - Which shippers are allowed to sell capacity
  - The maximum amount of capacity each shipper can sell.



# III.1 Timeline for the BB process



# III.1 Buy-back procedure at PRISMA

- The capacity will be bought back using PRISMA Platform as **bundled capacity** or as **unbundled** capacity by the same legal entity on each side of the IP
- PRISMA offers several options to TSO to buy back capacity:
  - 1) Primary reverse auction (used by GTS and also German TSOs; no price indication; 30 min time window; maximum product runtime is 24 hours)
  - 2) Secondary platform (more familiar to shippers)
    - FCFS
    - OTC
    - CFO - requires setting specific rules for bidding and determining winning bids





## **VI.1 Project candidates of PCIs in the Region**

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# PCI 5.4. - 3<sup>rd</sup> Interconnection point between Portugal and Spain

Portugal



Phase	ENTSOG Code	Infrastructures	Capacity GWh/d	Length km	Diameter "	Power MW
1	TRA-N-283	Pipeline Celorico - Spanish Border	Entry: 75 Exit: 50	162	28	-
2	TRA-N-284	Cantanhede Compressor Station	Entry: 107 Exit: 97	-	-	12
3	TRA-N-285	Pipeline Cantanhede -Mangualde	Entry:141.4 Exit: 141.4	67	28	-

# PCI 5.4. - 3<sup>rd</sup> Interconnection point between Portugal and Spain

Spain



ENTSOG Code	Infrastructures	Capacity GWh/d	Length km	Diameter "	Power MW
TRA-N-168	Pipeline Zamora-Portuguese Border <b>1</b>	Entry: 100 Exit: 100	85	28	
	Zamora CS <b>2</b>				
	Core network reinforcements in Spain		<i>Core network reinforcements in Spain under study*</i>		
<i>(*) After the submission of the info to DG ENER, Enagás has identified the following core network reinforcements</i>	Guitiriz-Yela Pipeline (G6) <b>3</b>	Entry: 142 Exit: 142	625	26/30/32	



# MIDCAT



# PCI candidates reported by GRTgaz as MidCat enablers



- Pipeline between St Avit and Etrez (Arc Lyonnais, 150km in DN1200)
- Pipeline between St Avit and St Martin (Eridan, 220km in DN1200)

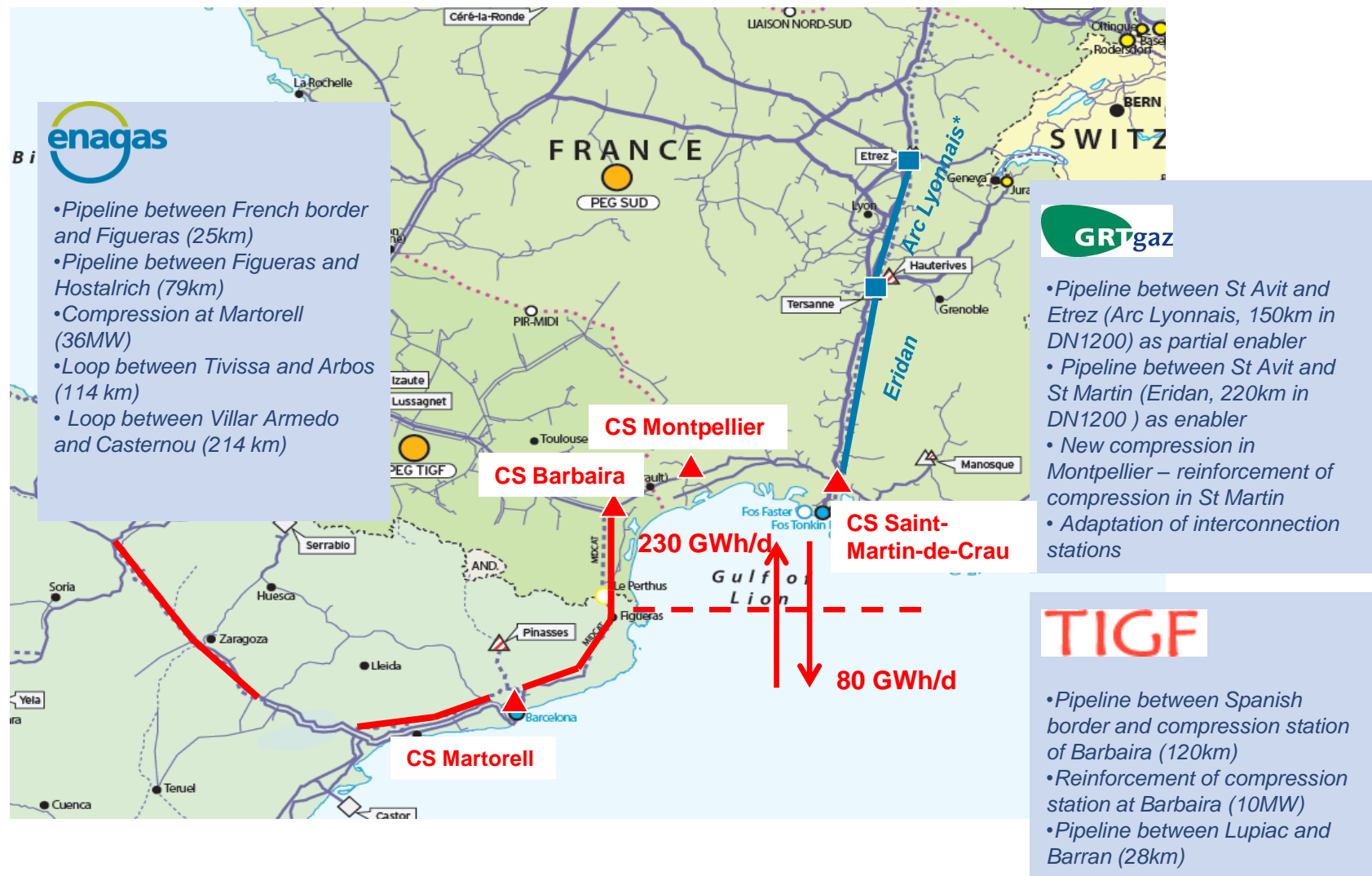
GRTgaz proposes Arc Lyonnais and Eridan, PCI candidates for the 2015 list, as enablers for MidCat.

It is still under discussion in the Regional Gas Group, regarding the grouping for the Project-Specific CBA simulations (PS-CBA), whether MidCat should be simulated alone, or if these two projects should be grouped with MidCat.

An agreement at the Regional Gas Group is pending.

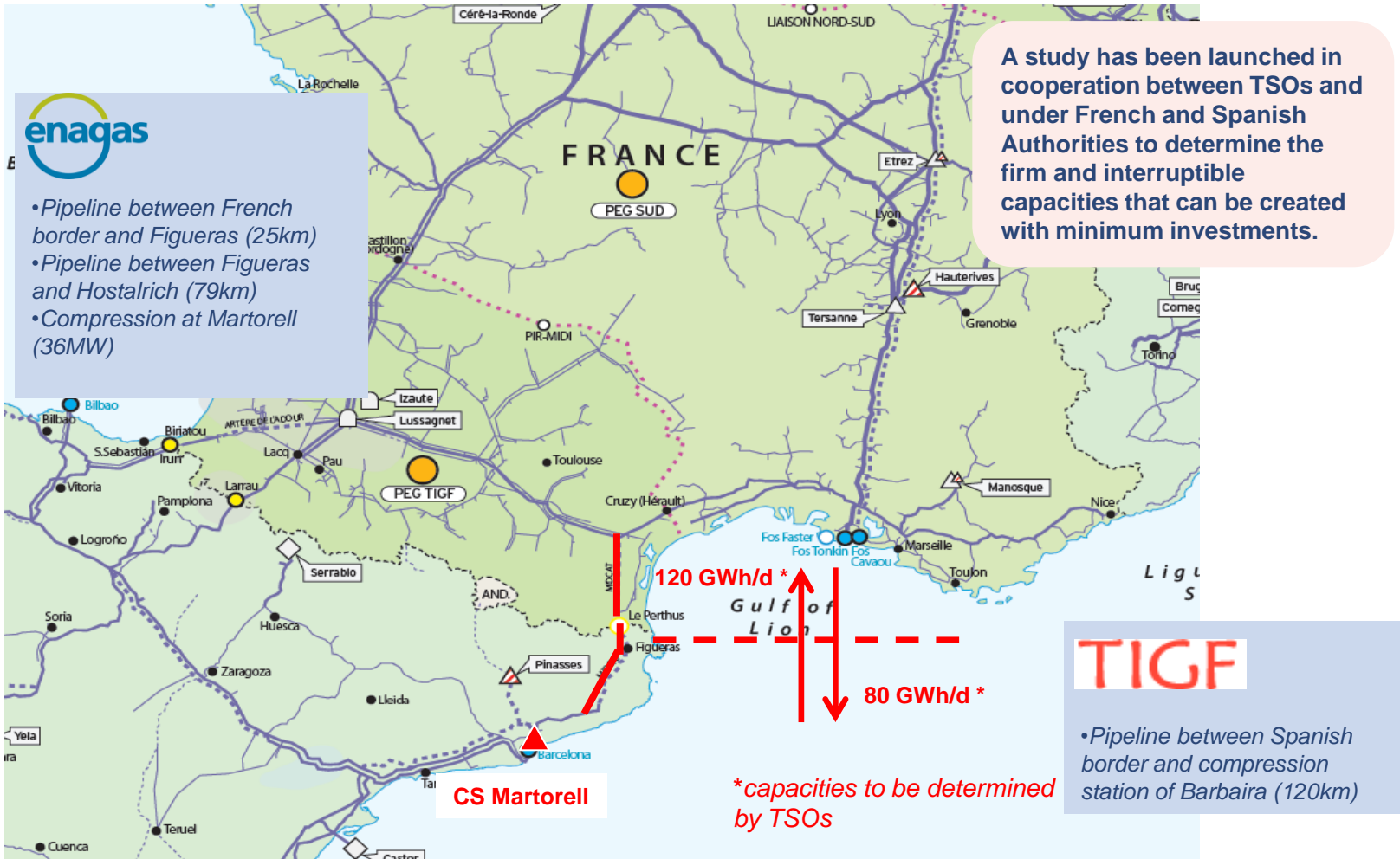


# MIDCAT + enablers

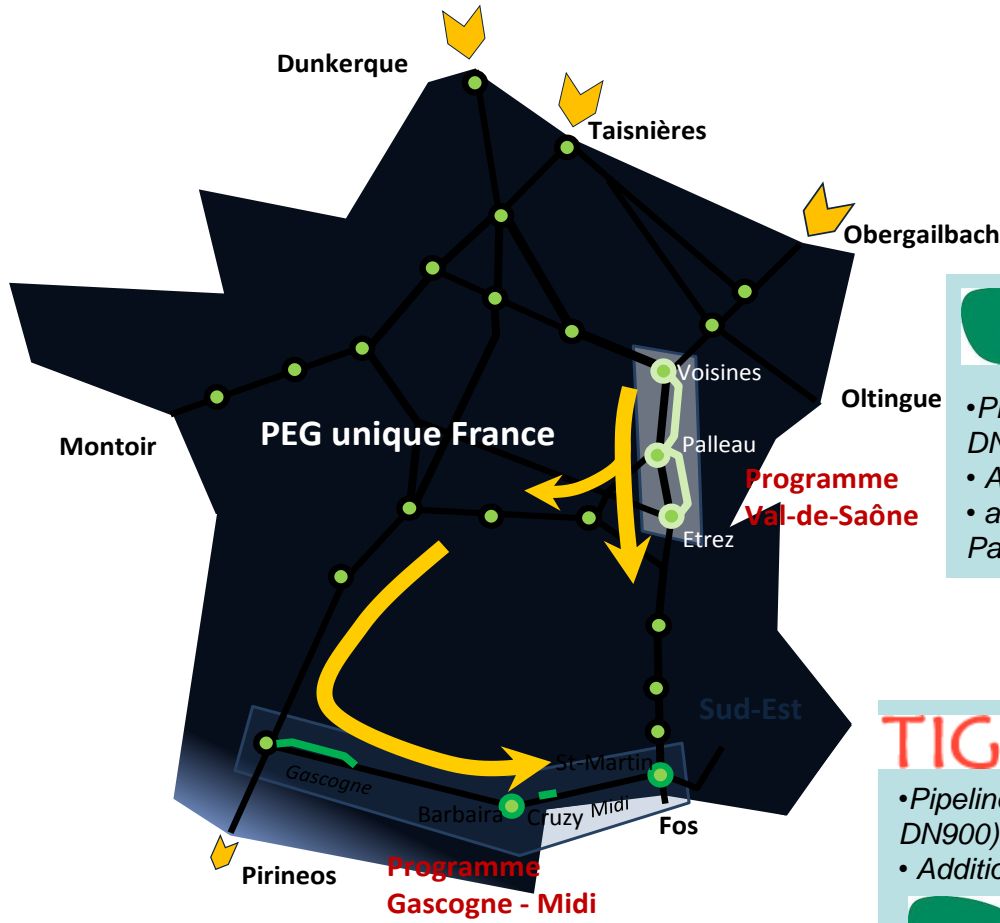




# First step MIDCAT



# A single market place in France: Val de Saône and Gascogne Midi



- Pipeline between Voisines and Etrez (188 km in DN1200 )
- Additional compression (9 MW) in Etrez
- adaptation of interconnexion stations in Voisines, Palleau and Etrez



- Pipeline between Lussagnet and Barran (60 km in DN900)
- Additional Compression (7 MW) in Barbaïra



- Adaptation of interconnexion stations in Cruzy and St Martin



Thank you for your attention!

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