

# **Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems**

**repealing Commission Regulation (EU) 984/2013**

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21<sup>th</sup> meeting of the EU-Russia Gas Advisory Council's  
Work Stream on Internal Market Issues

21 October 2016, Sankt-Petersburg

## Once upon a time

- Lack of incremental process in CAM NC already recognised upon its enactment in 2013
- Official amendment process started immediately afterwards
- Wide stakeholder consultation by CEER, ACER, ENTSOG (and EC)
- Amendment process (ab)used for other changes too
- Last week Member States in the Gas Committee delivered a positive opinion on an overhauled CAM NC
- Allows for concomitant implementation with TAR NC
- Subject to scrutiny by the Council and the European Parliament

# Impact of EU-RU dialogue on CAM NC

- As from 2014 suggestions (e.g. 14<sup>th</sup> WS2 GAC) fed into amendment process
- Focus on additional Open Season Procedures for very large cross border projects
- More recently also reality check of foreseen procedures

# Final CAM and TAR NC texts address many of the concerns raised by Russian side

- TAR NC

- ▶ Non-physical backhaul priced like interruptible (Article 16)
- ▶ Application of fixed prices possible (Article 24)
- ▶ Existing fixed-price contracts not affected (Article 35)

- CAM NC

- ▶ Alternative allocation mechanism (Article 30)
  - Booking duration or bids for higher amounts of capacity may be prioritised
  - NRAs to decide to set aside capacity between 10% - 20%
- ▶ Incremental capacity projects initiated before entry into force may continue under „old“ regime, if all necessary approvals have been granted before 1 August 2017 (Article 31)

# Conclusions

- Amending EU network codes is a long and cumbersome process
- Continuous stakeholder involvement proves to be effective
- Practical check of draft legislation is highly valued

**Thank you  
for your attention!**

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# CAM NC concrete results I – details

- Article 6 (1) (a) (2) - Capacity calculation and maximisation
  - ▶ Competing capacities between IP and exit points to storages: no reference to "emergency situations"
- Article 11 (3) - Annual yearly capacity auctions
  - ▶ Capacity offer for at least the 5 upcoming years
- Article 11 (4) - Annual yearly capacity auctions 2017 still in March, from 2018 onwards in July
- Article 12 – Rolling quarterly capacity auctions 2017 from August onwards
- Article 20 - Alignment of term and conditions for bundled capacity products
  - ▶ ENTSOG to develop a template for main terms and conditions
  - ▶ Streamlined and shortened procedure.
  - ▶ Use of template only optional

# CAM NC concrete results II – details

- Article 21 - Bundling in case of existing transport contracts
  - ▶ Capacity Conversion (only for Y, Q, M) must be offered from 1 January 2018
  - ▶ No multiplier to be paid for capacity which the network user already holds
- Article 30 (5) - Principles for alternative allocation mechanisms
  - ▶ If either booking duration or bids for higher amounts of capacity are prioritised, NRAs to decide to set aside capacity between 10% - 20%
- Article 31 - Transitional arrangements
  - ▶ Incremental capacity projects initiated before entry into force may continue under „old“ regime, if all necessary approvals have been granted before 1 August 2017
- Article 32 (2) - Allocation of interruptible services
  - ▶ Interruptible day-ahead capacity may be offered without restrictions