



Development and content of the final CAM Network Code

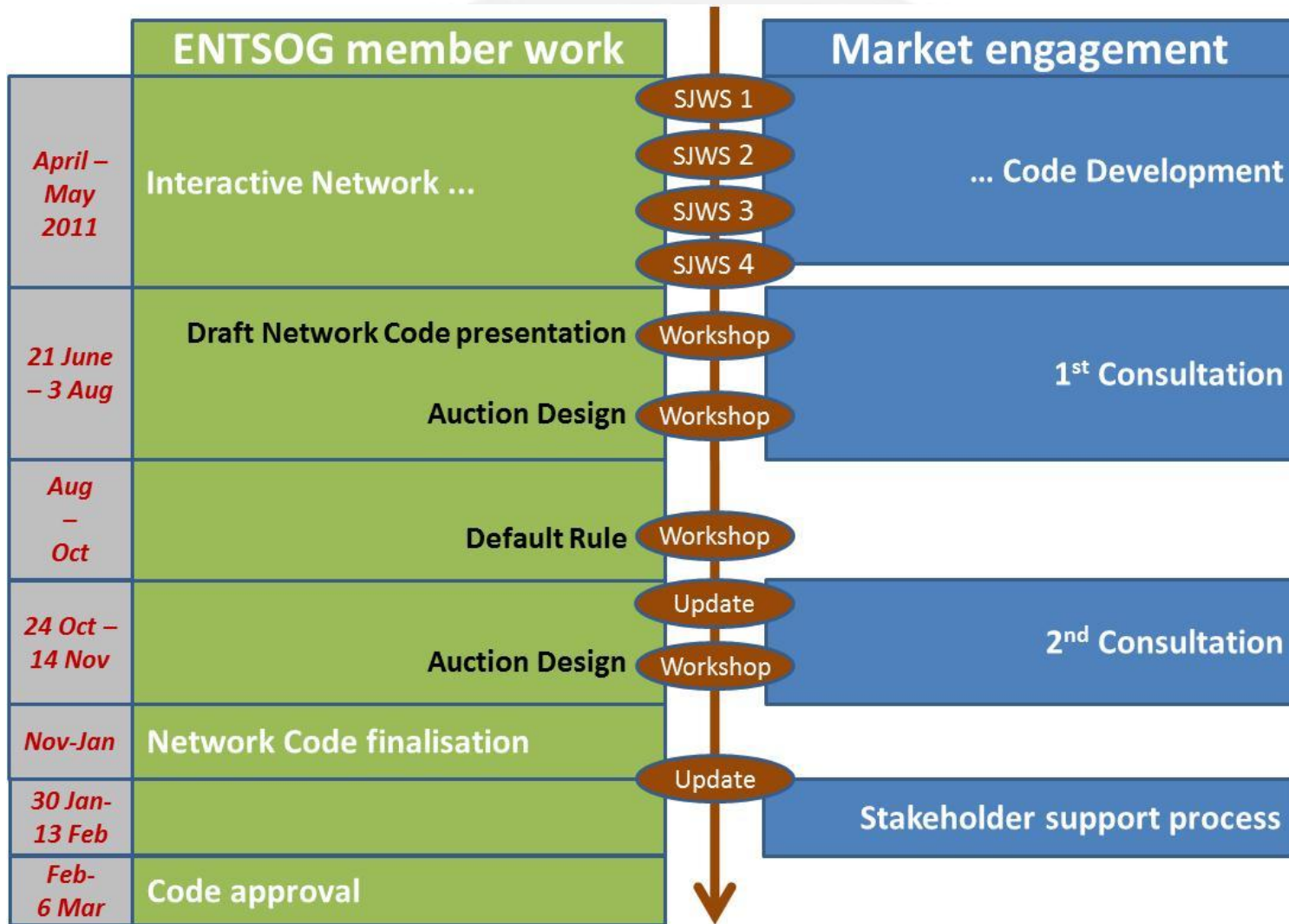
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March 16 2012

ENTSO-G codes in the 3-year-plan

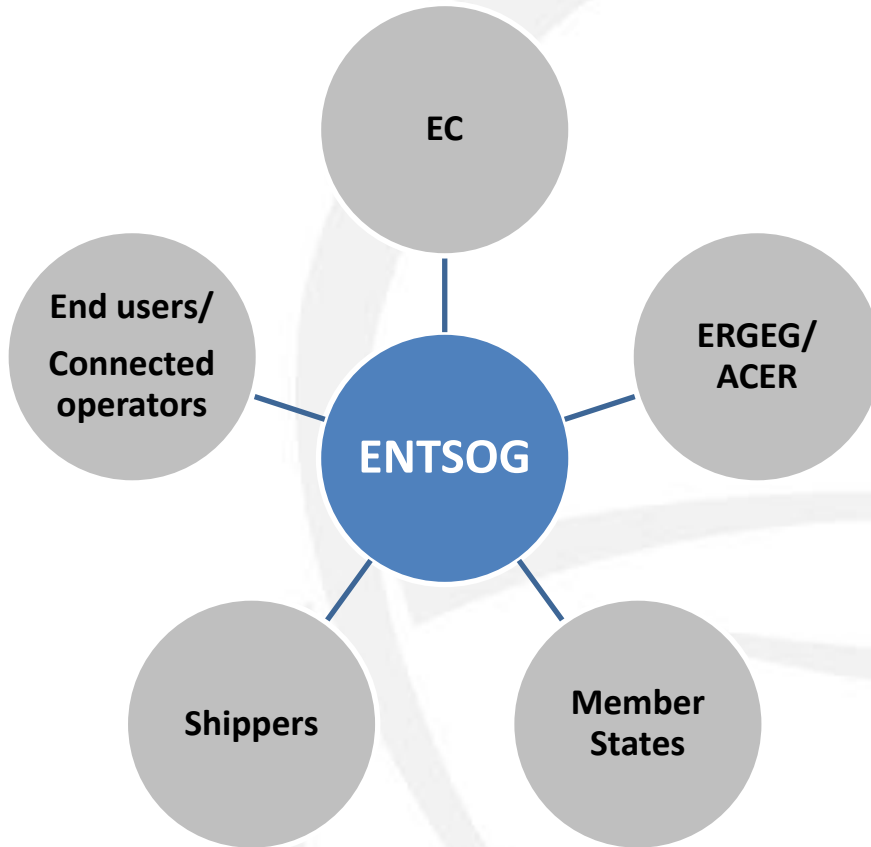
Deliverable	Scoping Phase		ACER FG draft		EC	ENTSO-G code drafting		ACER evaluate	Comitology	2011				2012				2013				2014				2015								
	Start	End	Start	End	Request	Start	End		Start	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4					
ESTABLISHED PRIORITIES																																		
Framework Guideline (FG) on capacity allocation methodologies (CAM)			Q1/11	Q3/11																												1. CAM		
EC invitation to ENTSOG					Q3/11*																													
Network code on CAM (1)						Q1/11	Q1/12																											
ACER Evaluation of NC								Q2/12																										
Comitology Process start									Q3/12																									
ACER Framework Guideline on balancing rules			Q1/11	Q3/11																												2. Balancing		
EC invitation to ENTSOG					Q4/11																													
ENTSO-G network code on balancing						Q4/11	Q4/12																											
ACER Evaluation of NC								Q1/13																										
Comitology Process start									Q2/13																									
Harmonisation of transmission tariff structures - Scoping phase(2)	Q1/11	Q1/12																														3. Tariffs		
Path 1: Guideline Development																																		
Path 1: Comitology Process start									Q3/12																									
Path 2: ACER Framework Guideline on harmonisation of transmission tariff structures			Q2/12	Q3/12																														
Path 2: EC invitation to ENTSOG					Q3/12																													
Path 2: ENTSO-G network code on tariffs							Q3/12	Q3/13																										
Path 2: ACER Evaluation of NC									Q4/13																									
Path 2: Comitology Process start									Q1/14																									
ACER Framework Guideline on interoperability rules	Q3/11	Q4/11	Q4/11	Q2/12																												4. Interoperability		
EC invitation to ENTSOG					Q2/12																													
ENTSO-G network code on interoperability rules						Q2/12	Q2/13																											
ACER Evaluation of NC								Q3/13																										
Comitology Process start									Q4/13																									

CAM NC development review 2011-12



CAM NC delivered to ACER: 6 March 2012

ENTSOG at the heart of development



- Stakeholder consultation is at the heart of the team's work
- Huge progress made in engaging a range of market participants



- Market participants see ENTSOG as a fair partner
- Stakeholders have responded very positively to our processes and outputs

...extensive interaction and communication with stakeholders, EC, ACER and MSs

Content of the CAM network code

1. Rationale of the CAM NC (legal clauses, definitions, confidentiality etc.)
2. Application of the Network Code
3. Principles of co-operation (maintenance, communication, calculation)
4. Allocation of firm capacity (products, auction design, algorithms)
5. Cross-border capacity
6. Interruptible capacity
7. Tariffs (assumptions needed for auctions)
8. Booking platforms
9. – 11. Exceeding decisions, Implementation time, Entry into force

Standard Capacity Products

- Yearly product introduced to meet stakeholder request
 - Start date 1st October
- Quarterly product retained to meet needs of stakeholders requiring a profiled product
 - 10% reservation ensures capacity is always available as quarterly and/or shorter duration products

Standard capacity product	Frequency of auctions	Number of products per auction per IP
Yearly	Annual	15
Quarterly	Annual	4
Monthly	Monthly (rolling monthly auction)	1
Daily	Every day	1
Within-day	Every hour	1 (balance of day)

Standard Capacity Products

- Firm auction schedule:

Auction	Calendar Year												Calendar Year +1												Calendar Year +2												Calendar Year +3												--> Y +15	
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12		
Annual Yearly																																																	...	--> ...
Annual Quarterly																																																		
Rolling Monthly																																																		
Rolling Daily																																																		

- Standard Product of specified duration
- Auction and allocation for respective product(s)

- If interruptible capacity is offered, auction is held after corresponding firm auction.
- Minimum requirement is interruptible day-ahead product if firm capacity is sold out.

Auction design

- Ascending-clock auction (multiple round) for yearly, quarterly and monthly products
 - Two workshops on auctions
 - Stakeholder Joint Working Sessions
 - Two consultations
- Large and small price steps to clear auction as quickly as possible while minimising unsold capacity and avoiding pro rata
- Unlimited price steps
- Different auction design for day-ahead and within-day processes
- Interruptible capacity sold via same process (subsequent)

Tariffs

FG Requirements

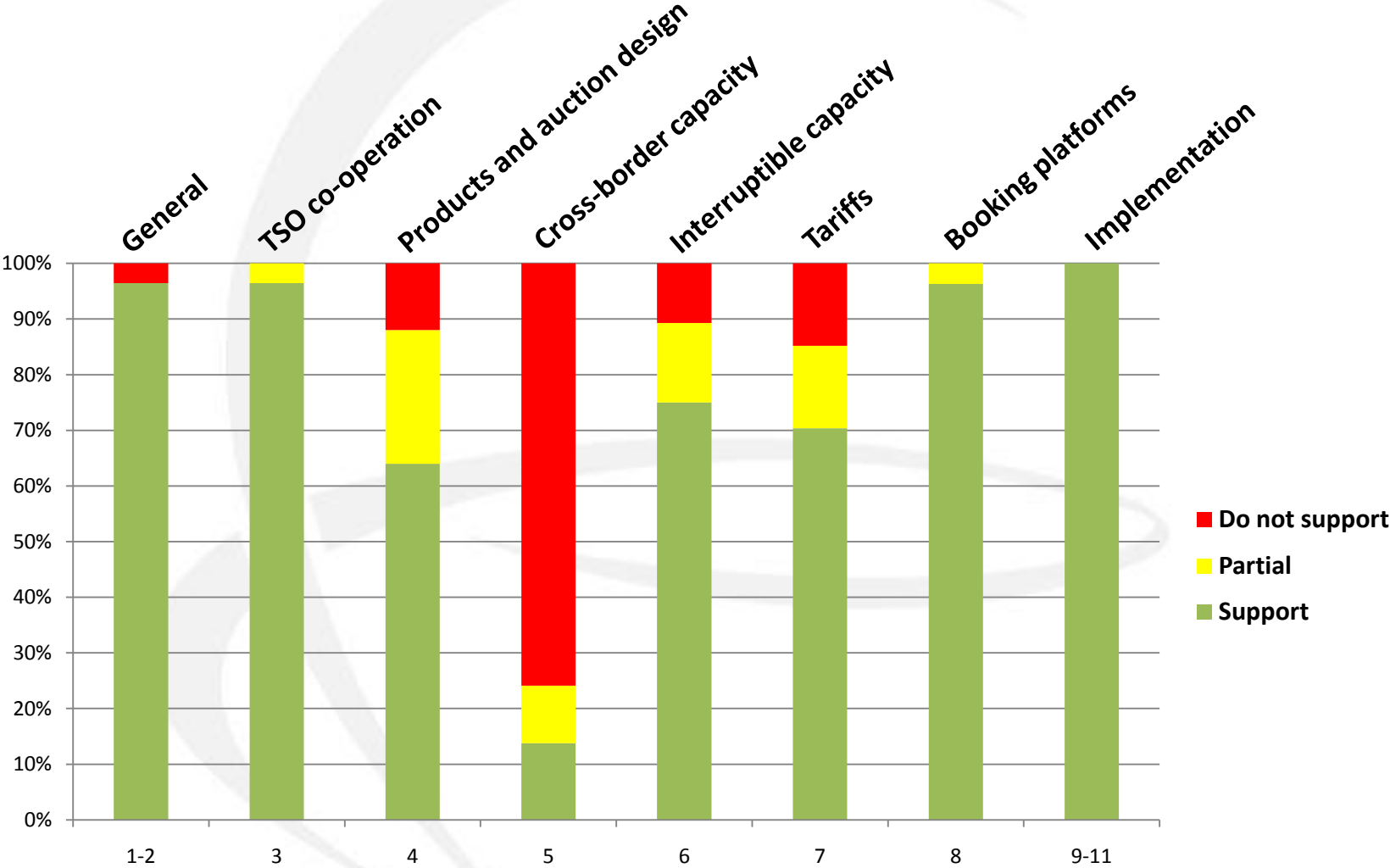
- *‘Regulated tariffs shall be used as reserve price in auctions for firm and interruptible capacity’*

Tariff section of the CAM NC

- “Revenue Equivalence Principle” of profiled bookings versus flat bookings retained
- Different approaches possible (e.g. seasonal pricing)
- Reserve price and auction premium split proportionally to reserve prices as default



CAM NC – the stakeholders' view



What happens next?

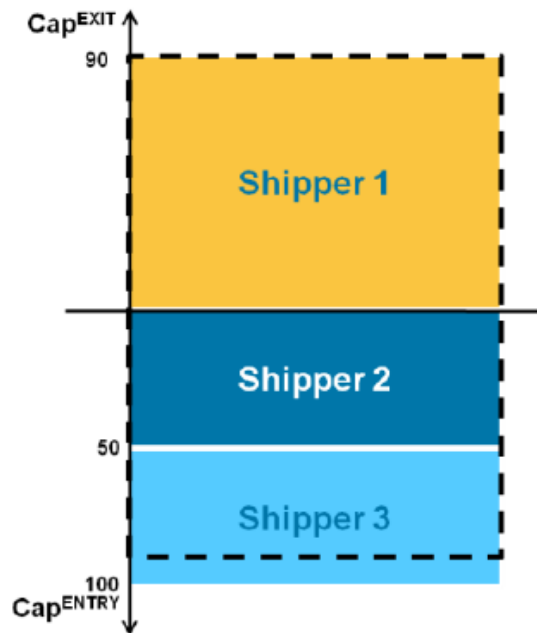




Thank You for Your Attention

Amendment of existing contracts

Partially unbundled default rule approach



Capacity to be bundled

	Exit capacity before bundling	Entry capacity before bundling	Exit capacity after bundling	Entry capacity after bundling
Techn. Cap.	90	120	90	120
Cap. to be bundled	90	90	90	
Booking S1	90	0	42.5	42.5 + 5 unb.
Booking S2	0	50	23.75	23.75 + 3 unb.
Booking S3	0	50	23.75	23.75 + 3 unb.
Sum	90	100	90	100

(values rounded)

Bundling example

