

**ACER**

Agency for the Cooperation  
of Energy Regulators



# **NC CAM**

## **INCREMENTAL CAPACITY**

- **26 December 2014:** ENTSOG submitted an amendment proposal to the Network Code on CAM to ACER
- **February 2015:** ACER assessed the proposal and consulted with stakeholders
  - Stakeholder feedback highlighted two areas of concern:
    - the process for running an incremental capacity project is too complex and hard to understand in the draft amendment
    - need to simplify the rules for allocating capacity in an open season.
- **March-June 2015:** ACER and ENTSOG cooperated to redraft the amendment proposal in order to simplify the process
- **17 July – 31 August:** ACER Public Consultation  
[www.acer.europa.eu/Official\\_documents/Public\\_consultations/](http://www.acer.europa.eu/Official_documents/Public_consultations/)
- **October 2015:** final amendment proposal to the EC
- **14-15 October:** presentation at the Madrid Forum

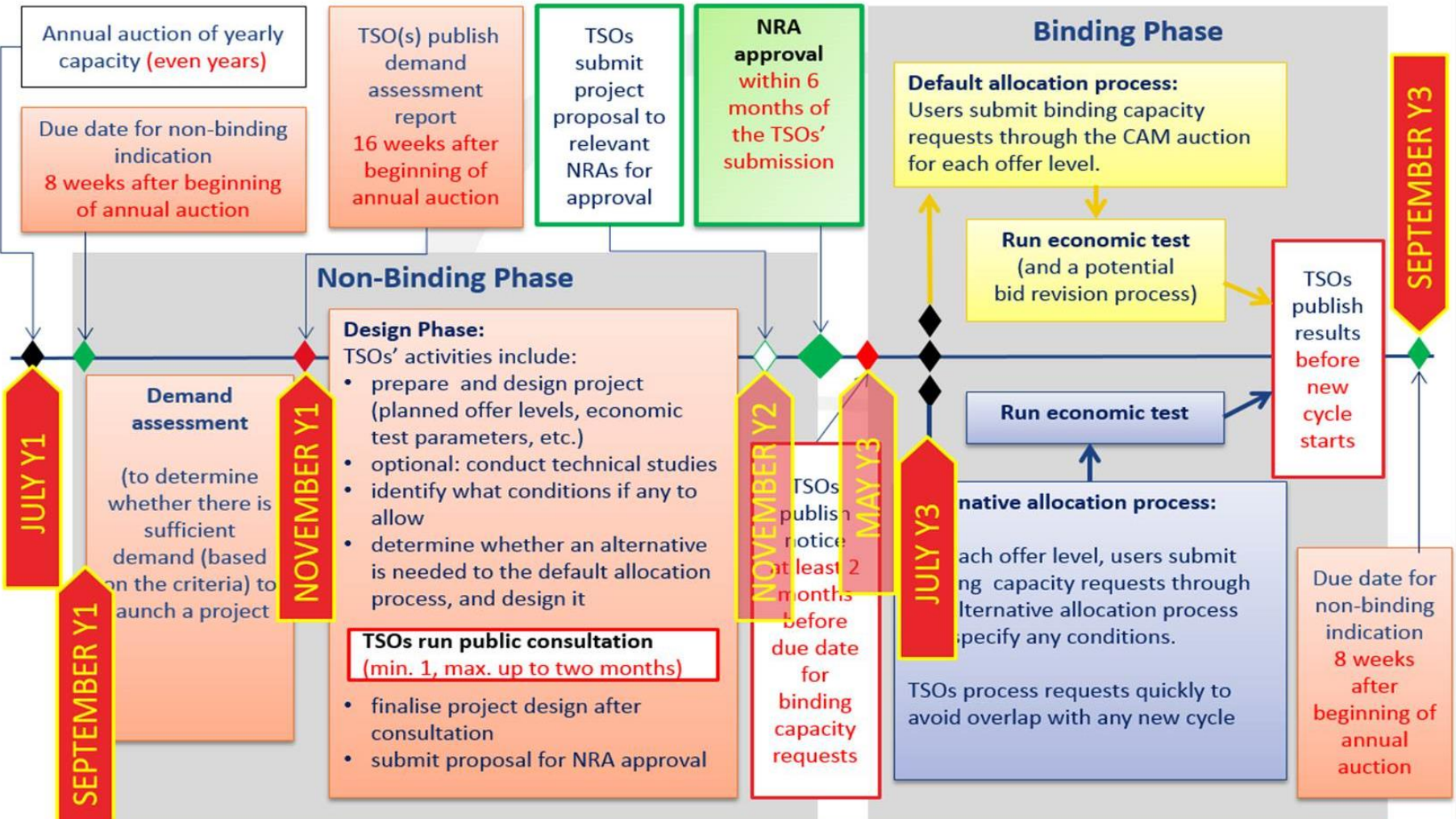
- **Article 20a: “Demand assessment”**: starting of demand assessment, TSOs cooperation, Market Demand Assessment Report
- **Article 20b: “Design phase”**: TSOs: technical studies, Public Consultation, NRA approval
- **Article 20c: “Auctioning of incremental capacity”**: process of auction
- **Article 20d: “Principles of alternative capacity allocation mechanism”**: alternative capacity allocation mechanism and its prerequisites

An alternative capacity allocation mechanism can be used, subject to NRAs' approvals, where **market feedback** during the demand assessment phase expressed a **clear need for conditional bids** to be allowed during the allocation procedure as follows:

- a) the incremental capacity project involves **more than two entry-exit systems** and bids are requested along several interconnection points during the allocation procedure; OR
- b) bids spanning **a number of different yearly capacity products** at an interconnection point are requested in one of the following two cases: the incremental capacity project involves more than two entry-exit systems and bids are requested along several interconnection points during the allocation procedure; OR it is substantiated by transmission system operators and supported by the public consultation that these bids, if fulfilled, are not detrimental to competition or the effective functioning of the internal gas market.

The mechanism shall be transparent, non-discriminatory and shall not prioritise bids for higher amounts of capacity for a standard yearly capacity product.

# New Process for Incremental Capacity Projects



Ongoing co-ordination among TSOs and NRAs involved throughout the process

**Thank you for your attention!**



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- **Annual yearly capacity auctions:** Moved from March to July.
- **Annual quarterly capacity auctions:** Moved from June to August.
- **Rolling monthly capacity auctions:** shall start on the second Monday of each month for the following monthly standard product.
- **Article 26 on tariffs** is deleted.
- **Other technical changes:**
  - Ascending Clock auction algorithm (Article 17 (16)),
  - Uniform-Price auction algorithm (Article 18 (3d) & (9)),
  - Headline of Chapter IV now: "Bundling of capacity at IPs"
  - Bundling of existing capacity (Art. 20(1)),
  - Allocation of interruptible services (Article 21(9)),
  - Entry into force (Art. 28).