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PC-02-RHODI-2					
PC-02-ROMGZ-4					
PC-02-RWEGS-A					
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2 Has your organisation participated in the ERGEG Public Consultation on the FG in 2010?

ERGEG has carried out a Public Consultation on Gas CAM/CMP in 2010. Please find all the relevant documentation under the following page on the CEER & ERGEG website:

http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/CLOSED_PUBLIC_CONSULTATIONS/GAS/Pilot_Framework_Guideline_Gas

Editor

PC-02 - CAM

PC-02-AGGMA-M	
PC-02-BDEWG-X	
PC-02-BERGE-S	
PC-02-BORDG-J	
PC-02-BPGAS-7	
PC-02-CEDEC-G	No
PC-02-CEFIC-W	No
PC-02-CENTR-9	Yes
PC-02-CEPSA-2	
PC-02-CIGIT-A	
PC-02-COMCO-K	
PC-02-CREGC-D	
PC-02-CREOS-T	
PC-02-DEMPS-H	
PC-02-DIREN-K	
PC-02-DONGE-I	Yes
PC-02-ECONG-7	
PC-02-EDF00-V	Yes
PC-02-EDFEN-F	Yes
PC-02-EDISO-V	
PC-02-EDPGS-V	Yes
PC-02-EFETB-O	

PC-02-ELFUR-R	
PC-02-EMRAT-U	
PC-02-ENBWA-P	Yes
PC-02-ENDES-Z	
PC-02-ENDIE-F	No
PC-02-ENELS-A	
PC-02-ENIGP-F	Yes
PC-02-ENNED-P	
PC-02-ENTSG-P	Yes
PC-02-EONFR-P	
PC-02-EONGE-C	Yes
PC-02-EONIT-C	
PC-02-ERCMK-B	
PC-02-ESBIR-8	Yes
PC-02-ESSEN-W	
PC-02-EUPEX-E	Yes
PC-02-EUREL-U	Yes
PC-02-EUROG-A	Yes
PC-02-EXXON-T	Yes
PC-02-FGSZH-Z	
PC-02-GASLK-N	No
PC-02-GASTE-B	
PC-02-GAZPR-5	No
PC-02-GDFES-T	
PC-02-GDFSU-J	Yes
PC-02-GILTD-1	
PC-02-GMEIT-A	
PC-02-HCENE-X	
PC-02-HSLLP-H	
PC-02-NAGAS-A	Yes
PC-02-NGRID-E	Yes
PC-02-POWEO-4	
PC-02-REGNI-J	
PC-02-REKKH-E	
PC-02-RHODI-2	
PC-02-ROMGZ-4	
PC-02-RWEGS-A	
PC-02-RWEST-8	
PC-02-SHELL-6	
PC-02-SHLNG-I	
PC-02-SORGE-K	No
PC-02-SSEWI-W	No
PC-02-STATO-4	

PC-02-STUDE-S	
PC-02-SWMUC-Y	
PC-02-TAPAG-Y	
PC-02-TESE-O	
PC-02-TOTAL-A	
PC-02-UFENG-8	
PC-02-UPRGZ-X	
PC-02-VAYUL-O	
PC-02-VIKEV-W	Yes
PC-02-VKUGE-A	
PC-02-VNGAG-T	
PC-02-WWASS-W	
PC-02-YARAB-6	

3 If yes, please provide only comments that go beyond your input to the ERGEG PC

Maximum length: 3500 characters

Editor

PC-02 - CAM

PC-02-AGGMA-M	
PC-02-BDEWG-X	
PC-02-BERGE-S	
PC-02-BORDG-J	
PC-02-BPGAS-7	
PC-02-CEDEC-G	
PC-02-CEFIC-W	<p>General remarks</p> <p>Both IFIEC Europe and CEFIC welcome the opportunity to respond to this ACER consultation on Framework Guidelines on Capacity Allocation Mechanisms;</p> <p>A well functioning capacity allocation system is essential to the large consumers that IFIEC Europe and CEFIC represent. With the absence of capacity being available at cross border points industrial consumers will not be able to participate in the developing liquid wholesale markets.</p> <p>An efficient capacity allocation system should in the future provide the following market outcomes: ? Competitive prices for the European industrial energy consumers in order to secure employment ? Equal and non-discriminatory access to gas infrastructures ? Efficient investments ensuring that infrastructure costs do not escalate (affordability)</p> <p>In most countries most of the capacity is booked in long-term by incumbents. A new harmonized capacity allocation system must provide a level playing field for all players. It should be noted that storage and LNG terminals are also crucial infrastructures and a lack of access to the entire supply chain could lead to failure of the unique market we are aiming to achieve.</p> <p>Regarding the following comments on the ACER Framework Guidelines on Capacity Allocation Mechanisms I would like to point out that Cefic fully supports the IFIEC response on ERGEG Proposal for a Pilot Framework Guideline on Capacity Allocation on European Gas Transmission Networks (Ref: E09-GNM-10-05) and ERGEG Recommendations for Guidelines on Congestion Management Procedures (Ref: E09-GNM-10-07) from march 2010.</p> <p>Specific remarks on the Framework Guidelines on CAM</p> <p>Bundling of capacity</p>

	<p>IFIEC and CEFIC believe that bundling of capacity is a good way to stimulate trading at hubs. In the long term perspective all gas trades should be done at hubs. Since there are only a few hubs at the moment which provide the needed liquidity, IFIEC and CEFIC suggest allowing a hybrid system during an interim period. The duration should not be longer than five years. In the hybrid system, the basic case is bundled capacity, but a certain amount of the capacity could be used for flanch trades. The national regulation authorities shall constantly monitor if the flanch trades also stimulate the liquidity at the corresponding markets.</p> <p>Theoretically a bundled product could help new entrants, although its success has yet to be proven (ongoing tests on certain IPs). However, it is essential to take into account local specificities, as well as the state (availability) of liquidity and crucial infrastructures (i.e. access to storage and LNG terminals) which may not be necessarily same on both sides of the interconnection point. National authorities should be allowed to intervene when necessary. The transparency regarding publication of gas flows on physical interconnection points should be maintained even after the full bundling is achieved.</p> <p>When the cross border capacity is not fitted within one bundled product, IFIEC and CEFIC require that at least the products at both sides of the border are fully aligned (same auctioning moments, same definitions, etc.).</p>
PC-02-CENTR-9	<p>Centrica maintains the position we set out in our response to the ERGEG Public Consultation on the FG in 2010.</p> <p>In the light of developments since then, in particular the Commission's consultation on the Guidelines on Congestion Management Principles and the work to date by ENTSOG on development of a Network Code for CAM, we would like to make the following comments:</p> <ul style="list-style-type: none"> * Work in the Stakeholder Joint Working Sessions towards developing the CAM Network Code is demonstrating that there will be strong linkages between rules on CAM, CMP and Tariffs. We are already seeing difficulties for ENTSOG in creating rules on CAM, with the details of the CMP rules being uncertain. The different pathways for creating and amending the CAM Network Code and CMP Guidelines will make it hard to align the rules effectively. We hope that ACER will raise this issue with the Commission. For the same reason, it is essential that Tariffs should follow the ACER FG & ENTSOG Network Code path. * We maintain our view that the scope of the FG CAM should include new capacity. Long-term auctions can be adapted to take into account the lead time, investment test and stakeholder information needed to support development of transmission networks. If it is not possible to include new capacity at this time then supplementary Framework Guidelines and a Network Code should be developed shortly afterwards to extend the auction framework to new capacity. * We remain unconvinced by the benefit of mandatory bundling of cross-border capacity. Whilst users will welcome the ability to purchase combined products in the future, we do not believe that mandatory bundling of capacity from existing contracts will increase liquidity at hubs. The administrative burden that this process will create could tie up TSO resources, distracting them from the implementation of other essential parts of the Third Package that should be given priority instead. The FG still fail to address the way bundling is intended to apply to dedicated gas interconnectors like IUK and BBL.
PC-02-CEPSA-2	
PC-02-CIGIT-A	
PC-02-COMCO-K	
PC-02-CREGC-D	
PC-02-CREOS-T	
PC-02-DEMPS-H	
PC-02-DIREN-K	
PC-02-DONGE-I	<p>Ref. point 1.2 : DONG Energy believes that Open Seasons should be an integrated part of FG on CAM/CMP. Ref. point 2.4.1 : It is our view that both bundled and unbundled services should be offered by TSO's. If TSO's can only offer bundled service it will lead to much greater risks and higher costs for the shippers, which may render natural gas uncompetitive. Ref. point 2.4.2 . DONG Energy thinks that existing capacity and commodity contracts must be exempted from the new regulation. Having bundled capacities only will in fact close down IP points between market areas, which subsequently will lead to greater uncertainty and to higher cost, which can be explained as follows : At the time of closing of a long-term supply contract the parties will have to decide on a delivery point. If the cross-border point is chosen then the shipper may allocate the gas in the future to either market area and thereby pay only an entry fee. If the long-term contract must stipulate either market area A or B as point of delivery then the shipper will have to pay an extra exit fee if the demand over time is changing causing the shipper to send the gas to the other market area. DONG Energy is not in agreement with the first sentence of the 3rd paragraph "...network codes..do not regulate supply contract" If the network codes are made accordingly to the FG then the codes will clearly regulate the supply contracts - even if this happens in an in-direct way. DONG Energy is therefore against the wording of the FG in this regard. Ref. point 3.1.1 DONG Energy is in agreement that auctions may be an appropriate method of allocation for short-term capacity products. However, we believe that other means of allocation should be available for long-term capacities - hereunder FCFS with a window.</p>
PC-02-ECONG-7	

PC-02-EDF00-V	<p>EDF welcomes the opportunity to comment the ACER FG on gas CAM insofar as it differs in many aspects from the pilot FG that had been submitted to public consultation in February 2010.</p> <p>As already stated in its previous answer, EDF regrets that there has been a different treatment for CAM, on the one hand, and CMP, on the other. EDF believes that both subjects deeply interact and would have preferred to keep considering them in the same package as it has been done for electricity. Moreover, EDF supports the drafting of high-level FG but feels that in its current form these guidelines could be misinterpreted and might create unnecessary regulatory risk. More details are sometimes needed. For example, more guidance should be given on how TSOs will calculate maximum available capacities on their networks. In addition, a wide degree of discretion seems to be given to TSOs to adapt existing transportation arrangements. EDF considers that the FG need to be more explicit on the clauses that can be modified and on how TSOs will implement this.</p> <p>As a general statement, EDF would like to underline that it supports every measure which would allow gas to flow more freely across Europe and which would foster harmonised processes between TSOs, in particular considering capacity products and allocation procedures. EDF also supports all mechanisms that will enhance transparency and equality of treatment between players. It is indeed of major importance that the implementation of the network code does not impact only some market players or discriminate between them.</p> <p>However, EDF regrets that the stepwise approach chosen by ERGEG in the first version of its pilot framework guidelines has been replaced by the will to harmonize the CAM rules as soon as the entry into force of the network code. Indeed, EDF considers that interim periods are of great importance when harmonizing rules at interconnection points that do not share the same situation, in particular in terms of congestions. Thus, considering auctions, if it is the target mechanism to implement, it needs, to be useful, some prerequisites such as a market mature enough in terms of liquidity and number of actors. This being said, the target allocation mechanism for existing capacity could be the following one:</p> <ul style="list-style-type: none"> o Progressive decrease of the volumes of long term capacity contracts in order to prevent any issue of security of supply; o Implementation of an auction mechanism with a floor price in order to ensure the coverage of the network operators' costs. <p>Alongside with this capacity allocation target model, open season procedures should be generalized for the creation of new medium and long term capacities.</p> <p>Regarding bundles, EDF considers them as important tools that would help gas to flow more freely across Europe. Thus, they have to be offered by TSOs at each interconnection point but they should not be the exclusive solution. Likewise, hub to hub trading could be a good way to enhance liquidity on the European gas markets and should be promoted. Shippers should however keep the possibility to trade through different mechanisms.</p> <p>Last but not least, EDF would like to stress the importance of the cooperation of NRAs and TSOs (in particular adjacent ones) while dealing with the development of incremental capacity or the use of over-revenues in order to avoid situations where one country uses over-revenues to remove congestions while in the other it is used to lower network tariffs.</p>
PC-02-EDFEN-F	<p>EDF Energy is supportive of the liberalisation process and in particular the benefits of cross border trade. These benefits are largely driven by arbitrage between trading hubs and effective Capacity Allocation Mechanisms (CAM) are important for the development of the European market. We would not expect ACER to draft a Framework Guideline which imposes additional requirements and costs onto industry parties without being backed up with technical evidence and robust cost-benefit analysis and impact assessments.</p> <p>Our main observations of the current draft are as follows:</p> <ul style="list-style-type: none"> • We support the drafting of high-level framework guidelines; however, we feel that in its current form this guideline could be misinterpreted. This might create unnecessary regulatory risk for both existing and new assets owners and market players. • An exemption should be included that will allow markets that have a fully open and transparent capacity allocation mechanism to be exempt from these guidelines, unless a cost benefit analysis clearly demonstrates that there is a significant benefit from implementing these arrangements in these markets. • Capacity calculation – more guidance should be given on how TSOs will calculate maximum available capacities on their networks. Maximum available capacity should be defined. • It is important that existing and new capacity sold through an open and transparent process, as this framework guideline promotes, should not be affected. • Electronic Capacity release systems should be simple and user friendly. • This framework guideline places many obligations and much of the responsibility on TSOs to deliver. It is unclear how the TSOs will be incentivised to deliver this and we would welcome more information on potential Member State arrangements. • Auction revenues – it is important that auction revenues contribute to the overall cost of the system in the usual way as determined by the National Regulatory Authority.

	<ul style="list-style-type: none"> • Bundling of capacity – we do not understand how TSOs will be able to amend Shipper capacity and/or intervene in private commercial contracts, some of which might have parties that are not subject to EU law. We further question whether bundling is needed at cross-border points that are not congested. • Requirement to publish probability of interruption - we believe this is missing from the framework guideline and should be an obligation on the TSO alongside their obligation to provide interruptible capacity services. • Interconnector responsibilities - it is not clear where the boundaries lie in terms of implementing the code obligation since the certification of TSOs. • Wide degree of discretion is given to the TSO in the framework guideline. This creates a new type of regulatory risk for new investors and those operating existing gas assets. In particular the inherent market power associated with the TSO's ability to offer capacity services must be matched against shipper's requirements. • There should be a duty to reduce transaction costs where appropriate as they could potentially act as a non tariff barrier to trade and increase the dead-zone. • As a general point, we see no reference to the governance process yet we know the codes might be subject to future change, for example with the introduction of smart meters.
PC-02-EDISO-V	
PC-02-EDPGS-V	We would like to stress the same comments made to the previous ERGEG consultation on the same subject.
PC-02-EFETB-O	
PC-02-ELFUR-R	
PC-02-EMRAT-U	
PC-02-ENBWA-P	<p>EnBW would like to make some remarks in addition to our comments made during the ERGEG Public Consultation in 2010:</p> <ul style="list-style-type: none"> - We fully support ACER's aim to establish bundled capacity products as the only product replacing existing flange capacity products. The parallel existence of bundled and unbundled products hampers an efficient and competitive cross-border trading market to emerge both in terms of primary capacity allocation (already allocated flange products influence the volumes available for bundling) and in terms of secondary capacity market (wide variety of bundled and unbundled products which eventually risk to be illiquid). Last but not least, any volume traded at a flange does not contribute to a liquid hub-to-hub trading market. - ACER must ensure that the pricing of capacity products sold in auctions actually reflects the market value of the product. We think that a situation in which a capacity product is more expensive (due to the regulated price as the start price of an auction) than the market spread (day-ahead) or the expected market spread between two markets is counterproductive to the development of a common European gas market. If this issue cannot be fully solved in this FG it should be part of the FG on Tariffication. - Furthermore we would like to stress that ACER should also take into account that the simple management of existing capacity may not be enough to cater for the market's need - an allocation process should also set investment signals to remove physical congestions. Contractual congestion shall be removed by efficient congestion management procedures.
PC-02-ENDES-Z	
PC-02-ENDIE-F	
PC-02-ENELS-A	
PC-02-ENIGP-F	Please, check the attached file.
PC-02-ENNED-P	
PC-02-ENTSG-P	<p>ENTSOG welcomes the FG focus on market-based allocation measures but has concerns regarding the detail of how some of them could be implemented. This response is in line with, but expands upon, our response to the ERGEG CAM FG, and the 'Position Paper on Existing Capacity' (http://www.gie.eu/adminmod/show.asp?wat=100810_CAP00053-10_Existing_Contracts_public.pdf). It focuses on our main concern, regarding mandatory bundling. We consider that the FG as currently drafted, particularly section 2.4, should be amended to be fully workable.</p> <p>1. Modification of existing contracts: Existing long term capacity contracts underpin investments essential for SoS. Contract termination from either side as a result of bundling, e.g. through the re-arrangement of capacity bookings aligned to the new bundled IPs, would expose parties to loss of revenue and the risk of stranded assets. Additionally, exclusive bundling would change the current delivery points of gas, thus impacting many gas supply contracts.</p> <p>Any change to capacity contracts should not be made unilaterally by TSOs, since this could expose them to severe legal consequences, but should be imposed on the parties through an administrative intervention by a competent authority such as an NRA. How such contracts can be re-allocated should be carefully analysed in ACER's current study and subsequent IA; as the outcome is not currently known, we suggest excluding this provision from the FG.</p> <p>2. Maximising users' choice: ENTSOG has no objections to voluntary bundling and has defined a method in section 5.4 of its NC Launch Documentation (LD) for implementing this via detailed TSO coordination. As a first step this bundled</p>

	<p>capacity could be offered alongside unbundled services, allowing shippers to select the service that best meets their needs. This would aid in fulfilling the objective as set out in FG section 1.1, of 'supporting the completion and functioning of the internal market in gas and cross-border trade'.</p> <p>3. Market views: We understand that a broad consensus is building among market participants that compulsory bundling, which places severe constraints on shipper freedom to contract capacity where they wish, should be re-considered, and that infringements of existing contractual rights must be avoided. Shipper concerns were clearly reflected for example at the MF XIX and at ENTSOG's 1st CAM NC SJWS. ENTSOG is open to alternative bundling proposals that achieve a similar outcome to its own methodology.</p> <p>4. Further remarks: >ENTSOG's LD proposal on bundling involves one joint cross-border allocation (one auction), underpinned by two contracts. A single contractual structure would be more complex to implement and would raise legal issues including tax obligations and the distribution of contractual liabilities. As an alternative, one TSO could organise the capacity for its neighbour. >A single EU booking platform which should eventually be introduced according to section 3.3 of the FG, might have significant advantages for users. We note however that developing such a platform would be a highly complex task and is likely to involve very substantial costs and time. The feasibility of this option will need careful consideration. >ENTSOG currently has to follow the ERGEG FG. Any changes introduced, and any impacts from developments in the areas of CMP, Balancing, Tariffs etc. may affect the CAM NC timescale. We would however welcome improvements that would bring the FG more closely in line with market needs.</p>
PC-02-EONFR-P	
PC-02-EONGE-C	<ul style="list-style-type: none"> - We would like to request to include incremental capacity into the auction process (instead of leaving this to open season procedures) - We suggest a feasibility study whether an alignment of gas capacity products with the power market could be beneficial. That means an 24/7 (0:00 to 0:00 UTC/GMT) capacity products duration time for firm capacity services instead of 5:00 to 5:00 UTC/GMT - The network code(s) shall set out that Transmission System Operators offer bundled firm capacity services as an option, not jointly for cross-border services - In order to promote the network code(s)' principles of anonymous and transparent online-based auction procedures to avoid any abuse of a dominant market position, the auctions should be run by a single EU wide platform. - NRAs have to agree upon a certain level of subscription of incremental capacity by network users, that triggers investment into new capacity.
PC-02-EONIT-C	
PC-02-ERCMK-B	
PC-02-ESBIR-8	Please, see the attached file.
PC-02-ESSEN-W	
PC-02-EUPEX-E	
PC-02-EUREL-U	<p>General comments:</p> <ul style="list-style-type: none"> · Booking platforms: With the implementation of the FG there should only be one booking platform for primary and secondary capacity allocation and trading platform per country. Within these platforms it should be ensured that there is a proper stakeholder involvement, this could be done – for instance - by a "network user advisory board". Also, the different existing platforms should cooperate amongst each other in order to secure that platform mergers will be done in the most efficient way. · Loss of capacities: When markets are merging there is always a risk that less capacity is made available on a firm basis. We suggest that TSO use joint allocation mechanisms whereby they should use the experiences in the electricity sector where joint capacity platforms are run. <p>Specific comments (due to the limited words available, I can just indicate the paragraph interested by the comment and the phrase with the suggested changes - without having the opportunity to justify them. For a better understanding of the suggested changes and their justification, please see the enclosed file):</p> <p>1.3 Adaptation of existing transportation arrangements to the network code The relevant clauses shall be amended within twelve months after entry into force of the network code.</p> <p>1.5 Cooperation ACER should oversee TSOs cooperation and facilitate coordination when there is no agreement between adjacent TSOs, so as to avoid the risk of delays in the implementation of the guidelines and of the network code(s).</p> <p>2 Capacity services The published available firm capacity shall be binding on the Transmission System Operator, and shall be financially firm.</p> <p>2.3 Breakdown and offer of capacity services The network code shall ensure that the Transmission System Operators, when setting the amount of short-term capacity, take into due account the need for short-term capacity to ensure the integration of intermittent renewable energy sources into the power system.</p>

	<p>2.4.1 Bundled services This should be without prejudice to TSOs to offer entry/exit capacity separately alongside bundled capacity where the market requires this.</p> <p>2.4.2 Amendment of existing capacity contracts If no agreement on the split of bundled capacity can be reached, the network code(s) shall entitle the relevant authority to split the bundled capacity between the original capacity holders proportionally to their capacity rights.</p> <p>3 Capacity allocation Capacity allocation procedures shall be designed with regard to market conditions and shall be regularly reviewed by the concerned Transmission System Operators with the involvement of market participants and revised if necessary.</p> <p>3.1.3 Auction revenues Auction revenues exceeding the allowed revenue (or values determined by the national regulatory authority) shall be used for different aims subject to the approval by the national regulatory authority, such as lowering network tariffs and – most importantly – removing congestion by investments or providing incentives to the Transmission System Operators to offer maximum capacity.</p> <p>3.3 Booking platforms This plan shall define interim steps and shall include a binding timetable. The network code(s) shall set that the information on the platforms will be publicly available for reading the current bids and offers without need of registration.</p>
PC-02-EUROG-A	<p>Eurogas is pleased to add some additional points to its input to the ERGEG Public Consultation, but fundamentally our starting point remains the same. Eurogas is very supportive of the thrust of measures to improve capacity calculation and allocation, maximization of firm capacity and harmonized capacity products and services, underpinned by improved TSO co-operation, but still rejects the proposal for an obligation to introduce bundled products as a sole capacity product, with the requirement to renegotiate existing contracts.</p> <p>General Provisions</p> <p>Eurogas supports the scope of the FG, but with regard to ACER's evaluation of the Code, it should be clear that the objective of supporting the completion and functioning of the internal market is not just concerned with short-term liquidity but longer-term stability and growth of the market.</p> <p>Eurogas thinks that there is need for yet further clarity on how the issues of incremental/new capacity will be addressed, either in this Code or in another Code on a consistent basis. A combination of auctions/open season offers a way forward. Also, the CAM Code will have to be internally coherent and consistent not only with CMP procedures currently being determined but with future work on tariffs.</p> <p>Capacity Services</p> <p>Eurogas supports the outlined approach, underlining the importance of harmonized availability of products and services. Eurogas insists on the importance of shippers' having legal certainty about the quality of products, particularly with a view to platform trading, and therefore the issue of the definition of firm and interruptible needs to be addressed.</p> <p>Eurogas continues to support the introduction of bundled products as an additional product but to reject the proposal to allow only bundled products, entailing an obligatory revision of existing contracts 5 years after the introduction of the Code. Eurogas had heard no arguments to bring about a change of views since the ERGEG consultation, and argues that the measure is disproportionate and it has not been demonstrated that it will increase liquidity in the market as a whole.</p> <p>Although the FG claims not to have an effect on supply contracts, the shift from a physical delivery point to a virtual one necessarily implies a delicate negotiation of additional basic terms of the existing agreement. Obligatory renegotiation of existing contracts would create legal uncertainties and have potentially wider implications for shifting supply structures within Europe. There is no evidence that the exclusive availability of bundled products could have significant benefits for longer-term market liquidity. The churn ratio of gas presently traded at the flange would not necessarily increase.</p> <p>A change of existing contracts is, in principle, only possible via an act of state. A TSO could not impose such a change, even if this were based on a network code.</p> <p>Capacity Allocation</p> <p>Eurogas favours a harmonized auction design throughout Europe, [also for new capacity in combination with open season procedures]. Timing, products, and procedures should be the same.</p> <p>Auctions design should be straight forward and basic, and allow a process of further development in the light of experiences.</p>
PC-02-EXXON-T	<p>ExxonMobil appreciate the opportunity to comment on the draft FG on CAM. We take account of the fact that the EC has invited ENTSOG to draft a CAM network code (NC) based on the pilot framework guideline prepared by ERGEG, and that ENTSOG is working to complete this task within the 12 months deadline. We therefore limit our comments to bundled services and the impact on existing contracts (§ 1 3 2 4 1 and 2 4 2). Apart from these provisions we are</p>

	<p>supportive of the draft FG as a sound basis for the development of a CAM NC and we welcome auctions as the preferred mechanism to allocate available capacity.</p> <ul style="list-style-type: none"> • § 1.3 The requirement to adapt existing contracts to new legally binding rules should not be used to change existing capacity reservations, or otherwise affect the commercial value of existing transportation contracts and underlying supply contracts. Sanctity of contract is an important principle in the gas industry to ensure a sound investment climate that is pivotal to long term security of supply. We believe the purpose of the NC is to establish harmonised mechanisms for the allocation of available capacity at interconnection points (IPs). Capacity that has already been allocated under existing capacity contracts is not available for the duration of these contracts and should therefore not be affected by the NC. This is consistent with § 1.2 which states that the FG applies to capacity under existing contracts "after they expire". According to ERGEG's Evaluation of Comments the proposed adaptation of existing contracts has raised many concerns as to the sanctity of existing capacity bookings; despite this ERGEG considers that the achievement of a single gas market would take unnecessary long time if the new rules would only affect expiring bookings. However, we believe ERGEG's view disregards what has already been achieved (without a harmonised regulatory framework) towards integration of the EU gas market and we question whether their view provides sufficient legal basis to infringe on existing contracts. For these reasons we request that § 1.3 is removed. • § 2.4.1 and § 2.4.2 Combination of entry/exit capacity to create a hub-to-hub service is supported. However, this should be optional, not mandatory, and should not lead to a limitation of the possibility to trade natural gas at IPs. Many existing supply contracts specify that gas is delivered at the IP. Forced changes to these contracts, such as moving the delivery point to a hub, could have significant commercial consequences. Shippers will have to register with 2 TSO's and would be forced to dealing with 2 legal, regulatory and fiscal regimes. Furthermore the proposed 'default rule' is not a neutral operation as the exit and entry tariffs at IPs are generally different, and contracts may have different terms and conditions on either side of the IP. In addition, we believe that a prohibition of trade at IPs is outside the legal scope of the FG. The 3rd package provides the framework for NCs to amend non-essential elements of Regulation 715/2009. As any EU legal instrument the NC must be appropriate, necessary and proportionate. § 2.4.2 would not meet these legal tests and even is in conflict with recital 19 ("give network users the freedom to book entry and exit capacity independently") and article 13.1 ("Tariffs ... shall be ... set separately for every entry ... or exit point") of this regulation. Therefore we request that § 2.4.2. is removed.
PC-02-FGSZH-Z	
PC-02-GASLK-N	
PC-02-GASTE-B	
PC-02-GAZPR-5	
PC-02-GDFES-T	
PC-02-GDFSU-J	<p>First, it is questionable whether the procedure set in the third package has been fully respected since the FG's consultation takes place at the same time than the drafting by ENTSOG of the Network Code on CAM. This is problematic at least for Article 2.4.2 of the draft FG because ERGEG has not consulted on this article earlier in the process.</p> <p>Secondly, the FG on CAM are aimed to support only hub to hub trading due to exclusive and mandatory bundled products at the IP. This goal is not written in the third package.</p> <p>The adoption of the NC shall constitute a measure designed to amend non-essential elements of Regulation 715/2009 (article 6.11). An act of the Community must be proportionate to the objective it seeks to attain, meaning that the measure is suitable, necessary and does not impose excessive burden.</p> <p>Suitable ?</p> <p>There is no evidence that liquidity would increase for longer term volumes because delivered "at hub". On the contrary, if all deliveries must take place at a limited number of hubs, gas producers could adopt a "produce or buy at the hub" strategy that could reduce liquidity. If the implicit goal of bundled products, against the needs expressed by a majority of stakeholders, is to foster a move away from oil-indexation in long-term contracts, one could point out that :</p> <ul style="list-style-type: none"> - This is not anymore a pure capacity related matter, without intended impact on other parts of long-term contracts; - Changes should be the result of market forces and not of market design choices imposed without legal basis on market players by the Commission, ACER and ENTSOG. <p>Necessary ?</p> <p>Alternatives exist, such as combined products.</p> <p>Excessive burden ?</p> <p>Forced introduction of bundled products for existing subscription (sunset clause) would trigger risky and possibly unbalanced renegotiations of long-term gas supply and capacity contracts. On the default rule, why and how will a TSO be able to change capacity contracts without the agreement of involved shippers ?</p> <p>For all these reasons, GDF SUEZ is against exclusive and mandatory bundled products. Subscribed capacities should not be tackled. For unsubscribed capacities, one should have the choice between a few products : bundled, combined or "as nowadays". GDF SUEZ express its preference for the combined products. They have given satisfaction to the market players where they already exist (i.e. Spain/France) and have been agreed by the respective regulators. EC and ACER should wait the results of the impact assessment of the "sunset clause" and the "default rule" before setting the final FG.</p> <p>Thirdly, some remarks that have showed up during Entso's discussions on the NC :</p> <ul style="list-style-type: none"> - On virtual IP, Entso itself does not know the number of IP concern by this particular measure (clause 2.4.3. of the FG). No assessment has been carried out on the benefits and costs of such changes. - To simplify, it seems more expedient to apply the same reserve price for each kind of auctions. This will avoid any

	<p>cross-subsidization between different kind of shippers buying capacities at different time, which would trigger a risk that shippers move to very short term reservations.</p> <p>- The FG state that "at least 10 percent of the available firm capacity at interconnection points shall be set aside for firm short term capacity services". GDF SUEZ would like to stress out that in France 20% of the capacity is already dedicated to short term services.</p>
PC-02-GILTD-1	
PC-02-GMEIT-A	
PC-02-HCENE-X	
PC-02-HSLLP-H	
PC-02-NAGAS-A	
PC-02-NGRID-E	<p>National Grid Gas welcomes the opportunity to comment on the ACER consultation document.</p> <p>As per our response to the ERGEG consultation E09-GNM-10-05 we still consider that the proposed guideline seeks to provide improved access to the European Gas Transmission System by the introduction of market based mechanisms; that in some cases have similarities to the commercial regime within Great Britain.</p> <p>National Grid Gas is an active member of the ENTSOG organisation and has taken a leading role within the ENTSOG Capacity working group. We remain supportive of the ENTSOG response to this consultation document and will continue to contribute to ACER's work primarily through ENTSOG.</p> <p>National Grid Gas would however like to highlight its concerns on some of the content of the framework guideline that ACER may wish to consider. We have attended the recent stakeholder working sessions and understand that there is widespread concern amongst a majority of stakeholders regarding the mandatory bundling of capacity at interconnection points. We trust that ACER will take full account of these concerns in its final Framework Guideline. National Grid does not object to bundling of capacity per se but see it as a useful additional product to compliment other capacity services rather than the only allowable product. We believe that this view is generally consistent with the majority of other stakeholders.</p> <p>National Grid is also aware of stakeholder concerns about the so called "sunset clause" which will require TSOs to renegotiate capacity contracts within 5 years after the Code becomes legally binding. It is not realistic or pragmatic to assume that all TSOs can achieve this especially without the support of the contract counter parties. Additionally where such capacity contracts have been secured by a transparent auction mechanism and may well include incremental capacity signals we believe that forced renegotiation is not necessary to support the development of competition, serves no positive purpose and risks sending perverse signals to the market that may undermine future investments in the network. Where effective competition exists, such as in Great Britain, regulatory stability is essential for the continued success of the wholesale market.</p> <p>In addition other Code areas including CMPs are not fully or partially defined, and as such are difficult still to provide a clear view upon in relation to any proposed changes. Two examples of such interactions are: the restriction of renomination rights which will have an impact on the firm product offered for sale in the day-ahead / within-day auction design and the issue of how the TSO will be appropriately incentivised to manage capacity sales versus the provisions contained within the CMPs is not clear.</p> <p>We would therefore welcome a written response in relation to the points raised above.</p>
PC-02-POWEO-4	
PC-02-REGNI-J	
PC-02-REKKH-E	
PC-02-RHODI-2	
PC-02-ROMGZ-4	
PC-02-RWEGS-A	
PC-02-RWEST-8	
PC-02-SHELL-6	
PC-02-SHLNG-I	
PC-02-SORGE-K	
PC-02-SSEWI-W	
PC-02-STATO-4	
PC-02-STUDE-S	

PC-02-SWMUC-Y	
PC-02-TAPAG-Y	
PC-02-TESE-O	
PC-02-TOTAL-A	
PC-02-UFENG-8	
PC-02-UPRGZ-X	
PC-02-VAYUL-O	
PC-02-VIKEV-W	<p>Both IFIEC Europe and CEFIC welcome the opportunity to respond to this ACER consultation on Framework Guidelines on Capacity Allocation Mechanisms;</p> <p>A well functioning capacity allocation system is essential to the large consumers that IFIEC Europe and CEFIC represent. With the absence of capacity being available at cross border points industrial consumers will not be able to participate in the developing liquid wholesale markets.</p> <p>An efficient capacity allocation system should in the future provide the following market outcomes: ? Competitive prices for the European industrial energy consumers in order to secure employment ? Equal and non-discriminatory access to gas infrastructures ? Efficient investments ensuring that infrastructure costs do not escalate (affordability)</p> <p>In most countries most of the capacity is booked in long-term by incumbents. A new harmonized capacity allocation system must provide a level playing field for all players. It should be noted that storage and LNG terminals are also crucial infrastructures and a lack of access to the entire supply chain could lead to failure of the unique market we are aiming to achieve.</p> <p>The following responses on the ACER Framework Guidelines on Capacity Allocation Mechanisms are additional statements to the IFIEC response on ERGEG Proposal for a Pilot Framework Guideline on Capacity Allocation on European Gas Transmission Networks (Ref: E09-GNM-10-05) and ERGEG Recommendations for Guidelines on Congestion Management Procedures (Ref: E09-GNM-10-07) from march 2010.</p> <p>Specific remarks on the Framework Guidelines on CAM</p> <p>Bundling of capacity</p> <p>IFIEC and CEFIC believe that bundling of capacity is a good way to stimulate trading at hubs. In the long term perspective all gas trades should be done at hubs. Since there are only a few hubs at the moment which provide the needed liquidity, IFIEC and CEFIC suggest allowing a hybrid system during an interim period. The duration should not be longer than five years. In the hybrid system, the basic case is bundled capacity, but a certain amount of the capacity could be used for flanch trades. The national regulation authorities shall constantly monitor if the flanch trades also stimulate the liquidity at the corresponding markets.</p> <p>Theoretically a bundled product could help new entrants, although its success has yet to be proven (ongoing tests on certain IPs). However, it is essential to take into account local specificities, as well as the state (availability) of liquidity and crucial infrastructures (i.e. access to storage and LNG terminals) which may not be necessarily same on both sides of the interconnection point. National authorities should be allowed to intervene when necessary. The transparency regarding publication of gas flows on physical interconnection points should be maintained even after the full bundling is achieved.</p> <p>When the cross border capacity is not fitted within one bundled product, IFIEC and CEFIC require that at least the products at both sides of the border are fully aligned (same auctioning moments, same definitions, etc.).</p>
PC-02-VKUGE-A	
PC-02-VNGAG-T	
PC-02-WWASS-W	
PC-02-YARAB-6	

4 If no, please provide your comments here (in case you exceed 3.500, add the rest to point 6)

Maximum length: 3500 characters

Editor

PC-02 - CAM

PC-02-AGGMA-M	
PC-02-BDEWG-X	

PC-02-BERGE-S	
PC-02-BORDG-J	
PC-02-BPGAS-7	
PC-02-CEDEC-G	<p>General</p> <p>CEDEC welcomes the work done by ACER on the common and coordinated treatment of issues concerning Gas Capacity Allocations Mechanisms, which seems a positive step in the developing Gas market. CEDEC would like to express thanks to ACER for the opportunity to participate in this consultation. Harmonisation of Capacity Allocations Mechanisms is necessary to achieve the objectives at European level; it will provide a new phase in the competition in the gas industry.</p> <p>Detailed remarks</p> <p>Paragraph 1.2 “Application” limits the application of the FG to cross-border interconnection points (physical or virtual) and interconnections between adjacent entry-exit-system’s (both known as the upstream). Excluded are – according to the paragraph – exit points to end consumers and distribution networks, entry points to supply-only networks, entry points from LNG-terminals and production facilities, and entry/exit points to or from storage facilities (known as the downstream).</p> <p>CEDEC points out that the exclusion of “the downstream” in this FG is add odds with the regulation (EC) 715/2009 “on conditions for access to the natural gas transmission networks”.</p> <p>There are several articles – article 16 on the principles of capacity-allocation mechanisms, article 18.3 on transparency requirements article 23 about guidelines and annex I (paragraph 3.2) of the regulation (EC) 715/2009 – that all speak about “all relevant points”. This many references to the phrase “all relevant points“ can not be neglected or can be seen as a coincidence and is therefore the starting-point. It also defines them as the basic scope for this FG and other FG’s as described in article 8 “ Tasks of the ENTSO for Gas” .The definition of “all relevant points” in annex 1, paragraph 3.2 includes the most important exit points (i.e. downstream).</p> <p>Excluding the downstream in the FG would mean that, capacity products and allocation mechanisms can differ between upstream and downstream, the last have their own unique characteristics. This could be a source of capacity mismatches between the upstream and the downstream. As a result there is a higher risk for the shipper that operates both at the upstream and at downstream. This in turn could lead to a less efficient use of the services provided and even for a greater expense for all downstream grid users.</p> <p>As stated above we are consistent in including the downstream into the FG. Referring to item 1.3. of the consultation “Adaptation of existing transportation arrangements to the network code” the clauses shall be amended with in six months after entry into force of the network code. If these clauses will have an effect in a regulatory and/or indirectly manner on DSO, then we insist on the ability to participate in the embodiment of the concerning network codes.</p> <p>As stated in item 1.4 of the consultation (form), “Contracts and communication”, the network code(s) shall define standard communication procedures that are applied by Transmission System Operators to exchange information with network users. If these new communication procedures will henceforth also be used in the communication with DSO, then we also insist on the ability to participate in the embodiment of the concerning network codes. Furthermore, if any cost arises from the changes to new standard communication procedures, these should be accepted in the regulatory regime.</p>
PC-02-CEFIC-W	<p>Auctions</p> <p>The conditions for auctions must be set very carefully as they may lead to overvalued prices and speculation on regulated assets. The regulatory framework must be set in a way that all market players are able to buy capacity on equal terms. Also the framework must prohibit strategic bidding behaviour in order to prevent market foreclosure by the incumbents. Therefore, an efficient system of congestion management is needed. Most of the cross border capacity is booked in long-term and not available for the market. A capacity reset of the existing contracts by the incumbents would be a good way to stimulate the development of liquid wholesale markets. The target model should allow long-term capacity contracts, but it is important that every market participant has the same chance to become a contract partner of and have access to such long-term contracts.</p> <p>There should be an interim period as short as possible, but not more than 5 years during which national regulation authorities may decide to apply special mechanisms to interconnection points inside a country taking into account national specificities (i.e. state of liquidity and infrastructures including storage and LNG facilities).</p> <p>In case auction revenues are used for upgrade of infrastructure, the investments must be carefully monitored in order to avoid escalation of costs that would not be offset by the benefits of improved liquidity and competition in gas (commodity) prices. It is important to note that end-users will be bearing the costs in any case.</p> <p>Amendment of existing capacity contracts We support the amendment of existing capacity contracts of dominant players (incumbents).</p> <p>Short term capacity</p>

	In IFIECs and CEFICs view, the amount set aside for short term capacity should - at the beginning –be 10%. Nevertheless it depends, how the capacity is set aside. It would be helpful, if ACER could provide some clarification on this issue and give a detailed description of the mechanisms.
PC-02-CENTR-9	Response already made to ERGEG Public Consultation on the FG in 2010
PC-02-CEPSA-2	
PC-02-CIGIT-A	
PC-02-COMCO-K	
PC-02-CREGC-D	
PC-02-CREOS-T	
PC-02-DEMPS-H	
PC-02-DIREN-K	
PC-02-DONGE-I	
PC-02-ECONG-7	
PC-02-EDF00-V	
PC-02-EDFEN-F	
PC-02-EDISO-V	
PC-02-EDPGS-V	
PC-02-EFETB-O	
PC-02-ELFUR-R	
PC-02-EMRAT-U	
PC-02-ENBWA-P	
PC-02-ENDES-Z	
PC-02-ENDIE-F	<p>Endesa Ireland welcomes the opportunity to respond to ACER’s consultation on Framework Guidelines on Capacity Allocation Mechanisms for the European Gas Transmission Network.</p> <p>Auctions Regarding the proposed adoption of auctions as a standard allocation mechanism, Endesa Ireland considers that this is not necessary where no congestion exists on interconnectors.</p> <p>As there is no problem with congestion on Irish gas interconnectors Endesa Ireland is of the view that auctions are not necessary. The requirement to implement auctions would increase costs for Irish customers for no benefit. Indeed, Endesa Ireland notes ERGEG’s 2010 report on capacity allocation mechanisms and congestion management procedures at selected interconnection points which reports at section 3.1 that the ‘vast majority of respondents indicated that there is no physical congestion in the selected network’. It is also stated that all of the TSOs who responded to this question stated that ‘users do not face problems in contracting the capacity they need’, while a minority of NRAs estimated users do face problems in contracting the capacity they need. On this basis the need for EU intervention to require auctions at all interconnection points across Europe must be called into question.</p> <p>Bundled Products Endesa Ireland does not consider that the Bundled Services provision at section 2.4.1 is workable in practice. Given that shippers hold separate contracts (and therefore individual legal relationships) with each TSO there would need to be mutual recognition of these contracts and, at a minimum, with the related shippers at each side of the interconnection point.</p> <p>Endesa Ireland supports ACER’s efforts to develop Framework Guidelines on Capacity Allocation Mechanisms for the European Gas Transmission Network, but cautions against a heavy-handed approach to address specific cases which do not affect the majority of interconnection points in the EU.</p>
PC-02-ENELS-A	
PC-02-ENIGP-F	Please, check the attached file.
PC-02-ENNED-P	
PC-02-ENTSG-P	
PC-02-EONFR-P	
PC-02-EONGE-C	

PC-02-EONIT-C	
PC-02-ERCMK-B	
PC-02-ESBIR-8	Please, see the attached file.
PC-02-ESSEN-W	
PC-02-EUPEX-E	
PC-02-EUREL-U	
PC-02-EUROG-A	
PC-02-EXXON-T	
PC-02-FGSZH-Z	
PC-02-GASLK-N	<p>Gaslink is pleased to comment on the draft ACER CAM Framework Guidelines. Gaslink makes this response in its capacity as the Irish Transmission System Operator. We welcome the guidelines objectives to maintain security of supply and the functioning of markets and cross-border trade to the benefit of end customers. We strongly support enhanced cooperation with adjacent TSOs.</p> <p>Seek Clarity:</p> <p>Ref 1.1 - The Framework Guidelines state the application of these guidelines does not apply to entry points to supply-only networks. 96% of the natural gas demand in Ireland and all of the natural gas demand in Northern Ireland and the Isle of Man is delivered by way of the Moffat IP. Can you clarify if the Transmission system operated by Gaslink may be considered as a supply only network?</p> <p>Ref 3.1.3 – Gaslink seek clarity on auction revenues and provision of incentives to ensure there is no opportunity for gaming.</p> <p>1.3 Adaptation: Six months is an unrealistic timeframe and should be reviewed.</p> <p>1.6, 2 Products: We agree in principle with a standard set of products but we strongly believe that if there are other products that could benefit individual markets then they should not be prohibited. Gaslink currently use an I/C inventory product which is extremely effective in providing security of supply, market flexibility and efficient use of assets. We ask that the last line from the bullet point of section 1.6 be removed. We envisage that these products will be defined in individual TSO's Network Codes as approved by their NRA.</p> <p>2.4.1 Bundled Services: While Gaslink supports the concept of bundling of capacity, as it supports bona fide interests upstream and downstream of the point, Gaslink do not support the mandatory bundling of all capacity. Gaslink strongly disagree that transportation of gas is provided on the basis of a single nomination procedure. This method would eliminate flange trading and reduce Shipper flexibility. If a shipper is required to be registered on both sides of the flange such a prerequisite may represent a barrier to entry. Further, if this is applied throughout Europe it may have the effect of reducing the number of Shippers to a number of large players, thereby hampering competition. Gaslink welcome a bundling model similar to the 'Combined Service' presented by the Prime Movers group at the ENTSOG SJWS1.</p> <p>2.4.2, 1.2, 1.3 Amendments of Existing Contracts: Capacity contracts provide regulatory certainty. Contracts cannot be breached and a party cannot be forced to enter into new contracts. To ensure a stable gas market existing contracts cannot be undermined.</p> <p>2.4.3 Virtual Interconnection Points: It is imperative to consider the technical feasibility before any VIPs can be considered.</p> <p>3, 3.1, 3.2 Auctions: While auctions may be an efficient allocation mechanism, where no congestion exists it is unnecessary and inefficient to apply a market based allocation mechanism, such as an auction, to allocate a resource that is not scarce. At uncongested IP's capacity should be sold on a FCFS basis. If auction is used as the allocation mechanism we strongly agree that the reserve price is equal to the regulated tariff.</p> <p>3.1.5 Within Day: Gaslink agree that FCFS is the least complex and most market friendly method to allocate within day capacity and facilitates the functioning of the product.</p> <p>3.3 Booking Platforms: It is essential that a direct contractual relationship exists between the seller and purchaser of capacity</p>
PC-02-GASTE-B	
PC-02-GAZPR-5	<p>Below are our summary comments on the draft Framework Guidelines. More detailed explanations are contained in the attached document.</p> <p>Mechanisms for the development of incremental capacity should be developed in parallel with the CAM framework. Otherwise there is the risk that there is artificial scarcity of capacity, and hence higher than necessary prices paid by network users for capacity in long term capacity auctions.</p> <p>Stakeholders' views on bundled capacity are not being taken into account, as at recent stakeholder meetings stakeholders have been against the introduction of mandatory bundling of capacity.</p> <p>Bundling of capacity at connection points between systems should not be mandatory. Mandatory bundling of capacity will not improve the liquidity at virtual hubs. In an entry exit system, all gas travels via the virtual trading hub once it has entered the TSO's system. Indeed, because the hub is by definition virtual, once a player has acquired entry capacity, his gas is at the hub. Therefore it makes no difference whether a player receives gas at the border or at the hub in terms of where the gas travels.</p> <p>Traders will quite happily move gas from lower priced to higher priced markets if it is possible. However it does not matter if that the point of exchange is at the border or at a hub as it cannot stay at the border – sooner or later it will</p>

	<p>reach another market. The key limiting factor is whether there is available capacity between markets, not if it is bundled or not. The experience of the UK shows that if traders can easily access hubs they will tend to go there as more buyers and sellers will be there. However the UK NBP grew to its current European leading size and liquidity without the need for regulatory diktats on where traders should transact. So called beach trades continue to occur without any noticeable adverse impact on the functioning of the UK hub.</p> <p>Mandatory bundling will be detrimental to market participants, particularly smaller players. The disadvantage of forced bundling is that at least one of the counterparties to a trade will have to be active at both hubs. This means having a trading licence in both countries where applicable and being signed up to both countries' network codes with all the exposure that entails to balancing charges, capacity and commodity charges. Some players may prefer to operate in just their own country.</p> <p>Changing delivery points will require supply contracts to be changed if the delivery point changes from a point at the border to a virtual hub. As noted above changing to a hub delivery point will expose at least one of the parties to risks in two systems.</p> <p>We are not in favour of virtual interconnection points as it is not clear what the advantage of virtual interconnection points are. Just as with entry exit systems in general, virtual interconnection points represent a compromise between the physical reality of the underlying networks and the commercial rules which govern how shippers use the system. If the gap between the commercial rules and the physical reality becomes too large problems result.</p> <p>Failure to include a mechanism for the allocation of incremental capacity increases the chances of over recovery by TSOs. How this over recovery is "recycled" to network users can lead to distortionary and discriminatory effects. It would therefore be better to avoid such over recovery in the first place.</p>
PC-02-GDFES-T	
PC-02-GDFSU-J	
PC-02-GILTD-1	
PC-02-GMEIT-A	
PC-02-HCENE-X	
PC-02-HSLLP-H	
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PC-02-NGRID-E	
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PC-02-REKKH-E	
PC-02-RHODI-2	
PC-02-ROMGZ-4	
PC-02-RWEGS-A	
PC-02-RWEST-8	
PC-02-SHELL-6	
PC-02-SHLNG-I	
PC-02-SORGE-K	<p>Sorgenia agrees with the scope and the general principles specified by ACER in these Framework Guidelines, pursuing the previous work carried out by ERGEG.</p> <p>We believe that in the EU the current lack of integration between adjacent national markets in particular in terms of harmonization of all the procedures implemented at interconnection points, as well as the low level of cooperation among Transmission System Operators, represents an obstacle preventing the fostering of an effective competition in the European gas market.</p> <p>In the current framework of the European gas market, the definition of a transparent access to transport capacity through the harmonisation of capacity products and allocation procedures at all the EU interconnection points represents an essential step in order to enhance integration of European gas markets and facilitate new comers and small operators to better access transport capacity.</p> <p>However, we firmly believe that the new rules of the Network Code should take into consideration that, for importing countries like Italy, long term take or pay supply contracts together with long term upstream supply agreement represent the main import instruments in order to grant security of supply. This aspect gains more relevance in particular with regard to new allocation mechanisms to be applied at all relevant IPs. For this purpose, we recommend the introduction of an interim period for capacity allocation before the implementation of auctions, for example with the implementation of pro-rata mechanisms, in order to take into account the specific market conditions. During this period the National Regulatory Authorities shall evaluate all the allocation results together with market conditions in order to reach a fair and efficient auction design, to be applied after the interim period.</p> <p>In addition, as regards specifically the Italian case, we would pay attention to the fact that the Network Code would be applicable only for one of the IPs. With regard to this aspect, we would recommend a progressive implementation of the new rules to all the relevant possible routes connecting two or more Member States, in order to pursue what Regulation (EC) 715/2009 about the trading of gas independently of its location in the system.</p> <p>Even though the network code does not provide for full harmonization, we believe that in order to create a level playing</p>

	<p>field for all shippers across Europe, the network code shall provide harmonized procedures as much as possible, leaving to the National Regulatory Authorities the definition of particular aspects, concerning for example security of supply.</p> <p>Besides, as regards the application range of the network code, we believe that it shall apply even to new capacity allocated via open season procedures for all the aspects with the only exception of capacity allocation mechanisms, given that open season procedures incorporate themselves a priority in access to the involved transport capacity.</p>
PC-02-SSEWI-W	<p>SSE welcomes the chance to respond to this consultation. SSE is the second largest generator in the UK, with over 11.5GW of generation capacity. We are the UK's second largest energy supplier, with more than 9 million gas and electricity customers. We hold a 50% stake in Scotia Gas Networks, a UK gas distribution business, and have an electricity networks business. In addition, we have a contracting and gas storage business and a telecoms business. We also have a generation and supply operation in Ireland.</p> <p>SSE is therefore involved throughout the gas value chain, including, extraction, trading, distribution and retailing of gas. It is therefore in SSE's and our customer's best interests to see that gas markets operate as transparently and as efficiently as possible.</p> <p>For gas, we are therefore in favour of the proposed deepening of market integration through improved regulatory harmonisation across Europe. We expect that ACER's market based proposals will lead to greater integration of the EU gas markets, which will lead to less inefficiency within European gas markets. This should consequently result in lower gas prices to consumers than might otherwise have been the case.</p> <p>The majority of the proposals are already currently adopted by the UK and they provide a stable operational environment for all parts of our business. We therefore agree with the key proposals for Capacity Services. Specifically, we agree that:</p> <ol style="list-style-type: none"> 1. The network codes shall set out how TSOs determine the firm and interruptible capacity they jointly offer at each interconnection point; 2. TSOs are required to offer firm and interruptible capacity at any interconnection point in both directions; at unidirectional points, backhaul capacity shall be offered at least on an interruptible basis. The published available firm capacity shall be binding on the TSO; and 3. The capacity offered is expressed in energy units per unit of time. The offer and use of separate capacity for transit purposes shall be forbidden. Capacity used for transit purpose by shippers shall not be treated differently than capacity used for domestic purposes. <p>We also agree with the following key proposals for Capacity Allocation, which are also currently in practiced in the UK, including:</p> <ol style="list-style-type: none"> 1. The way TSOs offer capacity on a regular basis for all firm and interruptible services. They will define a number of regular points in time for the allocation of firm capacity services; each of these points will be appropriate with regard to the duration of the capacity service offered at this allocation date. 2. The network codes shall set out that, for the same capacity service, the allocation procedures take place at every interconnection point in Europe in a timely, coordinated way. 3. Capacity allocation procedures shall be designed with regard to market conditions and shall be regularly reviewed by the concerned TSOs and revised if necessary. 4. The network codes shall require that TSOs apply harmonised allocation mechanisms at each interconnection point and publish the detailed procedure as well as the capacity offered, its allocation lead time and its duration sufficiently in advance. <p>On the second and fourth points, SSE agrees a harmonised allocation mechanism should be carried out in a timely and coordinated way. This system is already in place in the UK, where a QSEC entry auction is conducted every March. Finally, we note the treatment of virtual connection should be in step with arrangements for non-locational charges.</p>
PC-02-STATO-4	
PC-02-STUDE-S	
PC-02-SWMUC-Y	
PC-02-TAPAG-Y	
PC-02-TE SSE-O	
PC-02-TOTAL-A	
PC-02-UFENG-8	
PC-02-UPRGZ-X	
PC-02-VAYUL-O	
PC-02-VIKEV-W	<p>Added here, because point 6 gave an error message.</p> <p>Auctions</p> <p>The conditions for auctions must be set very carefully as they may lead to overvalued prices and speculation on regulated assets. The regulatory framework must be set in a way that all market players are able to buy capacity on equal terms. Also the framework must prohibit strategic bidding behaviour in order to prevent market foreclosure by the incumbents. Therefore, an efficient system of congestion management is needed. Most of the cross border capacity is booked in long-term and not available for the market. A capacity reset of the existing contracts by the incumbents would be a good way to stimulate the development of liquid wholesale markets. The target model should allow long-term capacity contracts, but it is important that every market participant has the same chance to become a contract partner of and have access to such long-term contracts. There should be an interim period as short as possible, but not more</p>

	<p>than 5 years during which national regulation authorities may decide to apply special mechanisms to interconnection points inside a country taking into account national specificities (i.e. state of liquidity and infrastructures including storage and LNG facilities). In case auction revenues are used for upgrade of infrastructure, the investments must be carefully monitored in order to avoid escalation of costs that would not be offset by the benefits of improved liquidity and competition in gas (commodity) prices. It is important to note that end-users will be bearing the costs in any case.</p> <p>Amendment of existing capacity contracts We support the amendment of existing capacity contracts of dominant players (incumbents).</p> <p>Short term capacity In IFIECs and CEFICs view, the amount set aside for short term capacity should - at the beginning –be 10%. Nevertheless it depends, how the capacity is set aside. It would be helpful, if ACER could provide some clarification on this issue and give a detailed description of the mechanisms.</p>
PC-02-VKUGE-A	
PC-02-VNGAG-T	
PC-02-WWASS-W	
PC-02-YARAB-6	

5 File upload

If you would like to provide **ADDITIONAL information/data** in formats other than plain text, please upload it here by

- browsing your hard drive
- selecting a file
- clicking on the green button next to the input field

NOTE: Please do not use this upload function for uploading your text comments which should be entered into the textboxes above. We not be able to take them into consideration!

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PC-02 - CAM

PC-02-AGGMA-M	
PC-02-BDEWG-X	
PC-02-BERGE-S	
PC-02-BORDG-J	
PC-02-BPGAS-7	
PC-02-CEDEC-G	FWGL - Capacity Allocation Mechanisms for the European Gas Transmission Network- remarks CEDEC.doc
PC-02-CEFIC-W	IFIEC ERGEG CAMCMP resp final (2)- March 2010.doc
PC-02-CENTR-9	
PC-02-CEPSA-2	
PC-02-CIGIT-A	
PC-02-COMCO-K	
PC-02-CREGC-D	
PC-02-CREOS-T	
PC-02-DEMPS-H	
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PC-02-ECONG-7	
PC-02-EDF00-V	2011 05 02 EDF response to ACER consultation on CAM FG.pdf
PC-02-EDFEN-F	ACER-Gas CAM 280411.doc
PC-02-EDISO-V	

PC-02-EDPGS-V	
PC-02-EFETB-O	EFET response ACER PC02 FG Gas CAM 04052011.pdf
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PC-02-ENELS-A	Enel response to ACER FG on CAM for Gas.doc
PC-02-ENIGP-F	ENI GP comments on ACER FG CAM.pdf
PC-02-ENNED-P	
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PC-02-EUPEX-E	
PC-02-EUREL-U	Eurelectric response to ACER FG on CAM for Gas 20110429.doc
PC-02-EUROG-A	
PC-02-EXXON-T	ExxonMobil gaspilot.pdf
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PC-02-GDFES-T	
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PC-02-RWEGS-A	
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PC-02-SHELL-6	
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PC-02-VIKEV-W	
PC-02-VKUGE-A	
PC-02-VNGAG-T	
PC-02-WWASS-W	
PC-02-YARAB-6	

6 If your comments exceed 3.500 characters, please provide your comments also in this area

Maximum length: 3500 characters

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PC-02-BDEWG-X	
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PC-02-EMRAT-U	
PC-02-ENBWA-P	
PC-02-ENDES-Z	
PC-02-ENDIE-F	
PC-02-ENELS-A	
PC-02-ENIGP-F	Please, check the attached file.
PC-02-ENNED-P	
PC-02-ENTSG-P	
PC-02-EONFR-P	
PC-02-EONGE-C	
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PC-02-EXXON-T	
PC-02-FGSZH-Z	
PC-02-GASLK-N	
PC-02-GASTE-B	
PC-02-GAZPR-5	See additional comments in uploaded file
PC-02-GDFES-T	
PC-02-GDFSU-J	
PC-02-GILTD-1	
PC-02-GMEIT-A	
PC-02-HCENE-X	
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PC-02-RHODI-2	
PC-02-ROMGZ-4	
PC-02-RWEGS-A	
PC-02-RWEST-8	
PC-02-SHELL-6	
PC-02-SHLNG-I	
PC-02-SORGE-K	Sorgenia agrees with the general definition of the capacity services outlined in these Framework Guidelines, because it goes towards the objective of developing an integrated and

competitive EU gas market. In particular we believe that the offer of bundled capacity services together with the implementation of virtual interconnection points, would increase the level of flexibility for the shippers and decrease their transaction costs.

Furthermore, as regard the percentage of the available capacity to be set aside for short term products, we believe that it should be defined by National Regulatory Authority taking into account the specific characteristics of each IP, both in physical and commercial terms (first of all concerning long term supply needs of the shippers).

Our Company believes that the implementation of auctions as allocation mechanism, would be an efficient way in order to foster competition and EU market integration. However, according to what previously underlined in the general remarks, an auction procedure shall be designed by National Regulatory Authority (after market consultation) considering the characteristics peculiar to each IP, aiming at preventing market distortions and making new comers getting better access to transport capacity. With regard to this, we think that harmonization of allocation mechanisms shall be progressively as wide as possible or at least the same auction design shall be implemented at a regional level, in order to prevent cross-subsidies.

We believe also that allowing an interim period, though establishing the implementation of harmonized allocation mechanisms at each IP, before auctions implementation could be necessary in order to grant a learning (even if well defined) period for market operators.

Furthermore, we believe that the implementation of market based mechanisms even for the day-ahead services would be too burdensome for network operators, in terms of management and coordination of both the commodity and the capacity markets. In particular operators could incur in the risk of getting the availability of only one of the two services, thus increasing the risk of a possible failure of gas exchanges between two or more adjacent markets. To avoid this, we suggest the implementation of a first-come-first-served rule for both day-ahead and within-day

	capacity services. Moreover, as regards the use of auction revenues exceeding the allowed level, we believe that National Regulatory Authorities, or even the Network Code itself, shall make use of them in a way aiming at avoiding cross subsidies between both different Member States and different stages within the gas chain.
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PC-02-VIKEV-W	
PC-02-VKUGE-A	
PC-02-VNGAG-T	
PC-02-WWASS-W	
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