

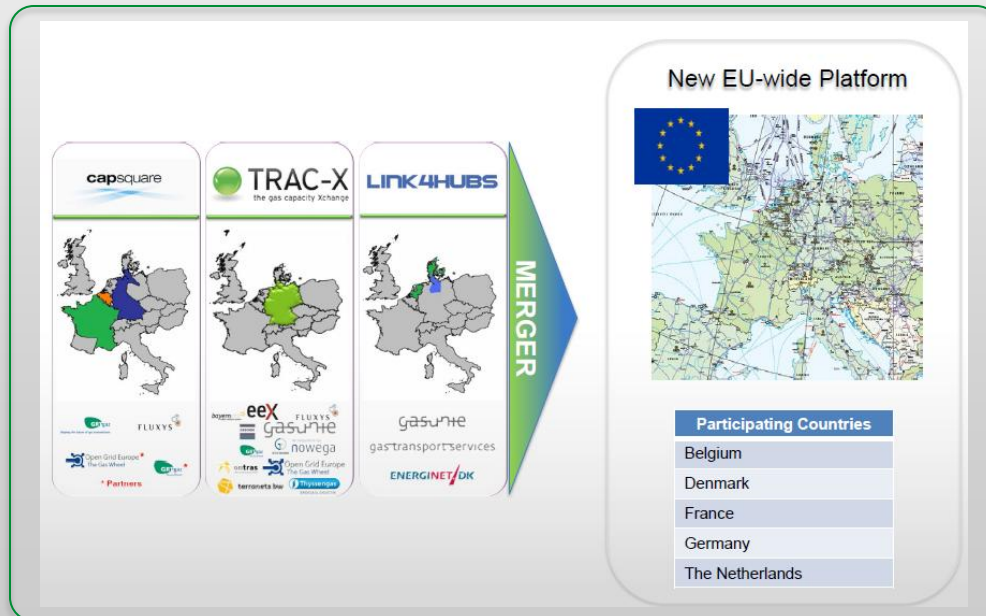
# 10th Stakeholder Group meeting of the Gas Regional Initiative North-West

## NewCo Project

Copenhagen, 23.11.2012

## Background of the Initiative

- Broad EU-wide support for joint European Capacity Platform.
  - 16 TSOs From Belgium, Denmark, France, Germany and the Netherlands signed initial MoU in April 2012
  - From 1<sup>st</sup> April 2013 20 TSOs will start the platform
  - The initiative welcomes all ENTSOG TSOs
- The initiative aims at merging existing capacity platforms...
  - Capsquare, Link4Hubs, TRAC-X
- ... and capitalizing on existing technologies to develop a platform which consists of established and well-tested functionalities



## A prerequisite to the implementation of CAM NC

The goal of the platform is to implement the Network Code on CAM

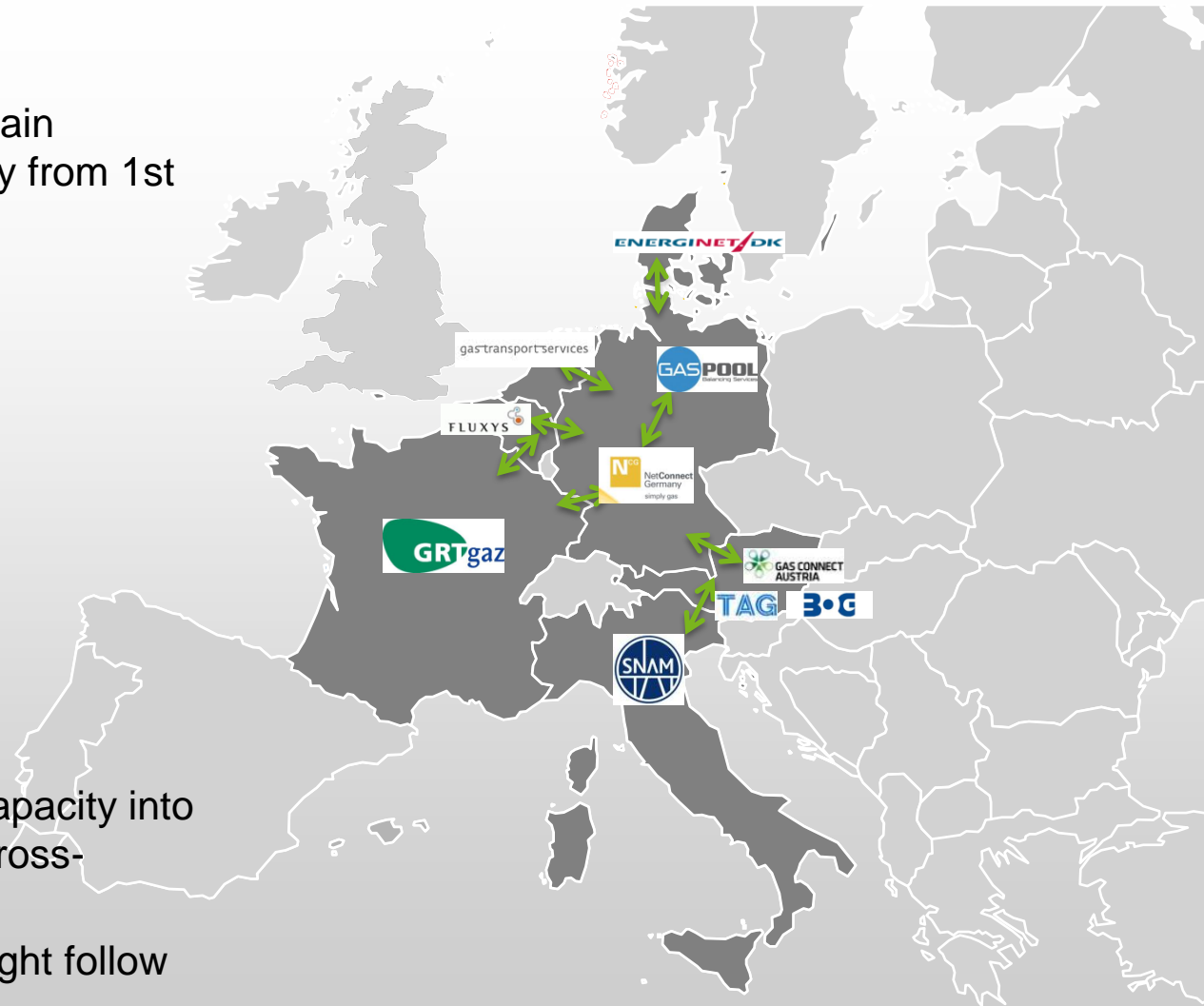
- The new platform will serve for the booking of primary capacity products on all IPs of adjacent Entry Exit Systems in accordance with CAM.
  - Primary market features for points out of the scope of CAM can be envisaged.
  - In addition the platform will be able to handle regional regulatory specifics of different countries (e.g. FCFS).
- Secondary market features are also part of the project.

Requirements are currently being developed by TSOs and platform operators

- Based on the collective experiences with the existing platforms.

## Connecting markets with the aim to create a Single European Market

- The Initiative will connect main European Gas Hubs already from 1st April 2013
  - TTF
  - Zeebrugge
  - PEG North
  - PEG South
  - NCG
  - Gaspool
  - CEGH
  - PSV
- The initiative will propose capacity into the European Union at all cross-border IPs
- Further interconnections might follow soon



## NewCo is an open cooperation

### Three Ways for TSOs to Get Involved in the Platform Initiative

At this stage, the currently participating TSOs are working hard towards finalizing the establishment of the platform agreement (end of 2012)

NewCo is an open cooperation that allows all TSO to participate in the cooperation

In the next stage TSOs could get involved in three different ways:

- Connecting to the platform via pilot project:  
TSO participates on the platform with a limited set of points & products for a predefined period of time. After the pilot has ended the TSOs may choose to add all their points to the platform.
- Joining the platform on a service-based level:  
The TSO is connected to the platform with all points and products on a service-based level.
- Become shareholder:  
The TSO not only fully connect their backend-systems to the platform but also become shareholder to the company. The shares will be allocated based on the ENTSOG voting rights, the shares of new shareholders should follow this logic.



A participation will be possible in accordance with the overall project plan of the platform initiative.

## Platform applications

**Infrastructure and features of the existing platforms are used as the basis to create a new platform**

**Current features will be extended and continuously improved according to**

- CAM NC requirements
- Special national requirements
- Market, shipper and regulatory demands
- Progressive integration of TSO systems with the platform back-end system

**The partners envisage that new platform is ready for primary products by 1<sup>st</sup> April 2013**

- Its products, auction algorithm and the auction calendar will comply with the future European Market Rules (CAM NC).
- The new platform will open new possibilities for bundled cross-border gas transport to shippers, who will then be able to book capacities at European network points through one single tool.
- Available interconnection points: IPs in accordance with CAM .

The main objective of the new joint platform is to be proactive and to develop an IT system and organization “CAM compliant” and operational as of 1 APRIL 2013.

# Application of ENTSOG Capacity Allocation Mechanisms (CAM)

**CAM applies to all interconnection points between adjacent Entry/Exit Systems (EE IPs)**

**Standard Products regarding auction calendar:**

- Annual Yearly (first auction envisaged: March 2014)
- Annual Quarterly (first auction envisaged: June 2013)
- Rolling Day-ahead (first auction envisaged: April 2013)
- Rolling Month-Ahead (first auction envisaged: April 2013)
- Within-Day (foreseen first auction earliest 2014/2015)

**Domestic Points can be marketed on the platform on FCFS Basis, if needed**

- FCFS process part of the platform

**Firm and Interruptible Products will be auctioned at EE IPs**

- Interim period until CAM becomes effective due to national legislation possible
- If no firm capacity is available interruptible must be offered on Day-Ahead basis

# Auctions

## Overview of auction processes and products

Product	Frequency of auctions	Number of products per auction	Start of the auction	Bidding round	Publication amount of capacity	Publication of allocation results to individuals	Auction algorithm
<b>Auction Calendar for firm capacity products</b>							
<b>Year</b>	annual	Y1 to Y15	1st Monday of March	First round 3h: 09:00-12:00 CET Then 1h: 13:00-14:00 CET 15:00-16:00 CET 17:00-18:00 CET	1 month before the auction starts*	no later than next business day*	Ascending Clock auction
<b>Quarter</b>		Q1 to Q4	1st Monday of June		1 week before the auction starts*		
<b>Month</b>		M1	3rd Monday				
<b>Day</b>	daily	D1	16:30 CET	16:30-17:00 CET*	16:30 CET	no later than 30 minutes*	Uniform Price auction
<b>Within-day</b>	hourly	Rest of the day (effective H+4)	19:00 CET* D-1	19:00*-02:30 CET, then hourly	after closure of the last day ahead auction	within 30 minutes*	
<b>Auction Calendar for interruptible capacity products</b>							
<b>Day*</b>	daily	D1	18:00	18:00-18:30	At the time the auction starts	within 30 minutes*	Uniform Price auction

\*at least, M, Q, Year also possible

\*if day ahead interruptible is offered, otherwise 18:00

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\*09:00 CET

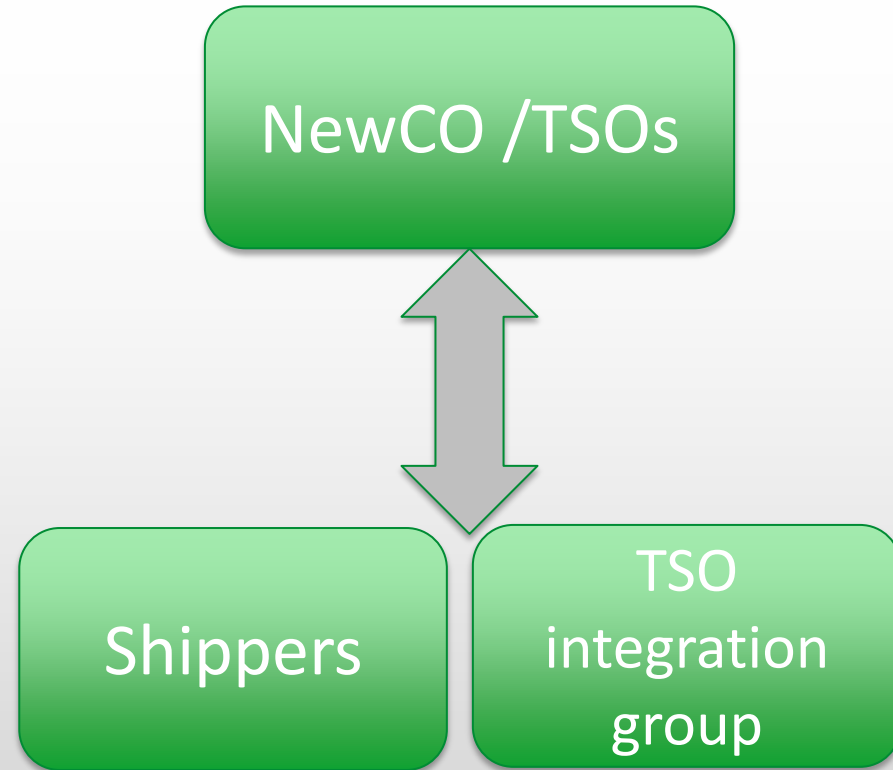
\*after closing of the bidding round



## Involvement of stakeholders

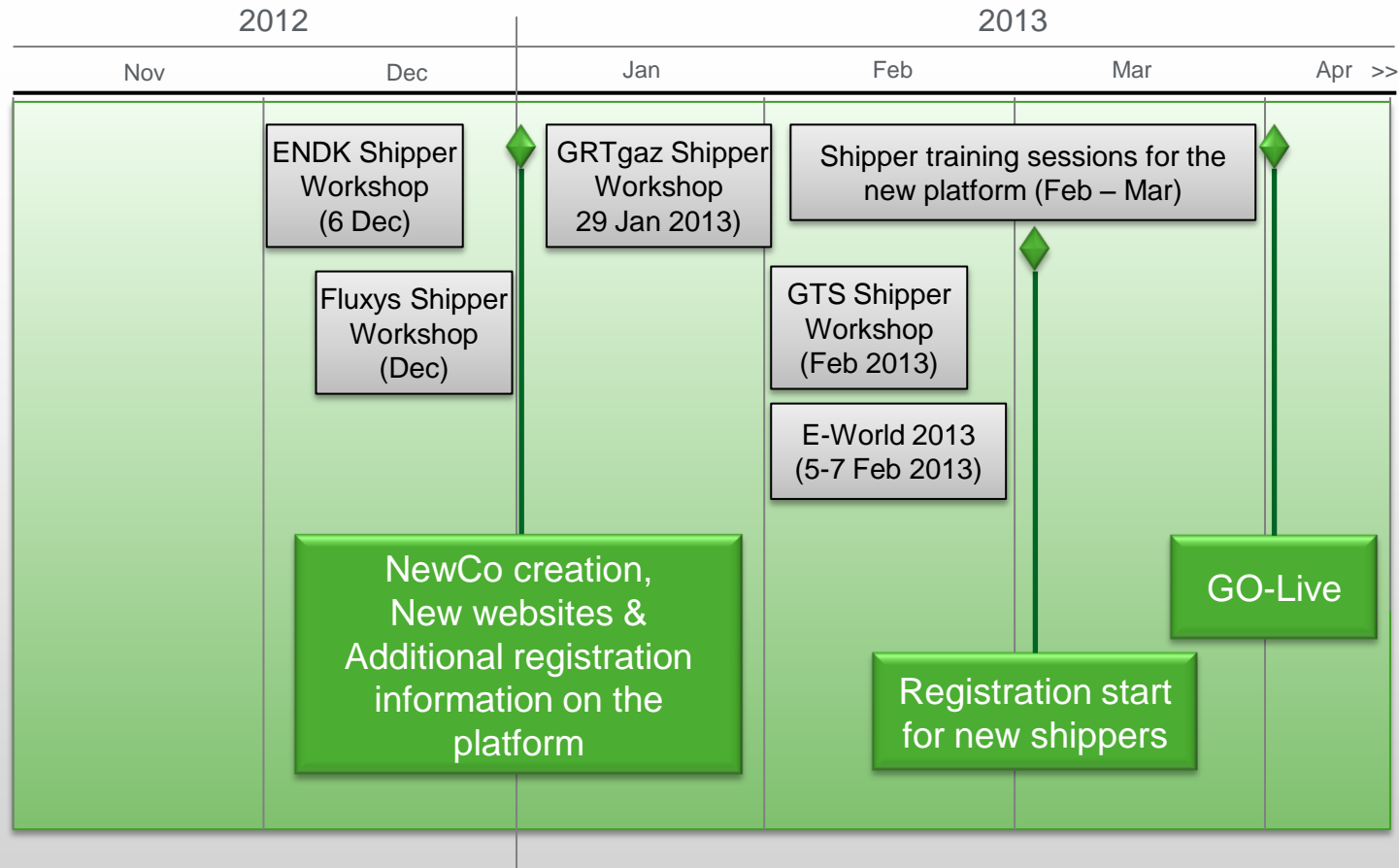
### Outlook

- ✓ Initiative based on the existing return on experience of Capsquare, TRAC-X and Link4hubs
- ✓ During the implementation phase: broad communication to the Market to give feedback on the objectives and the timelines
- ✓ For the interconnections with the platform, specific sessions with shippers will be organized
- ✓ When NewCo will be established, a Shippers' Group will be put in place to fully fit the platform with the market needs/expectations



## Involvement of stakeholders

### Timeline for scheduled Shipper Information



- German TSOs held shipper forum in Oct.; new concept paper was published on 26/11/2012
- Italian and Austrian TSOs will also inform their shipper