

Public consultation on the Capacity Allocation Mechanisms Network Code: achievements and the way forward

Fields marked with * are mandatory.

A Introduction

With gas markets being impacted by a global pandemic (2020) and a European energy crisis (2022), the resilience of the current market rules (also known as “network codes”) has been tested. Although they have ensured a proper market functioning (see ACER’s Market Monitoring Reports and Congestions Reports), lessons have yet to be learnt to further enhance market resilience.

The European gas market must also be ready to align with the latest policy and technological developments, guaranteeing the Green Deal’s decarbonisation targets can be met.

Against this background, the latest European Gas Regulatory Forum has emphasised the importance of having gas market rules which can adequately reflect this evolution, and therefore prompted for the revision of the capacity allocation mechanisms network code (CAM NC).

As part of ACER’s review of the Network Code for Capacity Allocation Mechanisms (‘CAM NC’), ACER is assessing the achievements of CAM NC and scoping the areas of improvement.

ACER invites stakeholders to actively participate in its review by providing feedback on the scoping of the areas of improvement as well as making reasoned proposals on further areas of improvements that could be considered for eventually amending the CAM NC.

The ACER CAM NC scoping document (‘scoping document’) contains ACER’s review of the market rules regulating gas transmission capacity allocation in Europe and proposes a scoping of areas of improvements based on ACER’s work on CAM. It serves as the **main consultation document** to which the questions in this survey refer.

Please send your response to the questions **by 5 January 2024, 12:00 noon (CET)**.

We invite stakeholders to bring forward concrete and succinct reasonings. Overly lengthy responses may not be processed.
The survey was corrected on 17 November for missing questions.

The stakeholder responses will be published on the Agency’s website. If you include commercially sensitive information in your reply, please mark the parts of your answer that are confidential as well as provide a non-confidential version for publication purposes.

Please confirm that you have read the [Data Protection Notice](#)

B General information

1 Name and Surname:

2 Email

3 Company:

4 Country:

- AT - Austria
- BE - Belgium
- BG - Bulgaria
- HR - Croatia
- CY - Cyprus
- CZ - Czechia
- DK - Denmark
- EE - Estonia
- FI - Finland
- FR - France
- DE - Germany
- EL - Greece
- HU - Hungary
- IE - Ireland
- IT - Italy
- LV - Latvia
- LT - Lithuania
- LU - Luxembourg
- MT - Malta
- NL - Netherlands
- PL - Poland
- PT - Portugal
- RO - Romania
- SK - Slovak Republic
- SI - Slovenia
- ES - Spain
- SE - Sweden

5 Please specify if other:

6 Business field:

- TSO
- DSO
- Shipper/trader
- Association
- Other

7 Please specify if other:

C Consultation documents

Download ACER's [Scoping document](#)

Download the [cover note to the scoping document](#)

The following questions are organised per chapter and article of the CAM NC, first depicting ACER's review included in the scoping document, a question on how you assess the need for a change in the article, and a question inviting you to elaborate your answer with specific elements.

D CAM NC Preamble



CAM NC Preamble - point (x) (new)

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
ACER Special Report on addressing congestion in North-West European gas markets	<ul style="list-style-type: none">To maximise technical capacity as well as (bundled) firm capacity (cf. p.15-17)A further strengthening of coordination between neighbouring system operators and regulatory authorities is needed, for instance, by harmonising calculation methodologies (cf. p. 16)	yes
N/A	<p>Clear recital or New article on CAM principles</p> <ul style="list-style-type: none">The core principles of capacity allocation mechanism must be explicitly defined in the NC. Allocation capacity mechanisms must guarantee the well-functioning of the internal market (GTM, guarantee the gas flows, not bottlenecks, bundled offer, cascading principle, market-based allocation, etc.).	yes

8 Do you agree with ACER's review of the CAM NC Preamble and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 9 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Please note that this question covers 3 topics. ENTSOG strongly opposes making changes to topics 1 & 2, such changes are rather considered counterproductive. At the same time, the third proposed amendment seems redundant, but if implemented, the wording should be carefully chosen.

As a general remark regarding ACER's special report, ENTSOG would like to state that the cooperation between TSOs during the crisis caused by the war in Ukraine has proven that the rules and practices developed so far enable for flexibility and maximization of network use.

Then on the outcomes of that special report:

1) Maximization of technical and firm bundled capacity

The aim of this change is unclear. Is it to calculate firm capacity more often knowing the flow pattern and the weather forecast for instance? The only outcome possible could be that some short term capacity will be shifted from interruptible to firm. What would be the added value of such change?

Since it is unlikely that it will create new bundled capacity, ENTSOG does not see the interest of the measure as it will create difficulties to offer different levels of firm capacities, for different durations of capacity products. Furthermore, how can TSOs set aside a percentage of firm capacity for short term products if the level of firm capacity is variable? And also, will shippers be ready to pay for more firm capacities than previously?

2) Strengthening coordination

ENTSOG does not agree with this statement of weakened coordination, as mentioned in ACER's special report. TSOs did not change the compliant rules they were applying before the war. Those rules may have led to inefficiencies and have been adjusted by the NRAs during the crisis, like for example the offering of unlimited interruptible capacities in the Netherlands and in Germany.

Concerning the example of strengthening coordination via harmonization of the calculation methodologies, ENTSOG would like to state that each network is different. By harmonizing capacity calculation methodologies one may rather lose flexibility and optimisation of all systems based on the same methodology will most likely lead to less efficient offering of capacity - as less account can be taken of specific characteristics of an individual network. There simply is no one-size-fits-all calculation method. Therefore, ENTSOG strongly disagrees with the idea of harmonizing them.

3) Clear Recital on CAM principles – ENTSOG does not see the need for an additional recital. The principles as mentioned above are included in the CAM NC. The preamble in its Recital 5 already gives proper background for interpretation of the CAM NC: to achieve the necessary level of harmonization across the Union for capacity allocation mechanism in gas transmission systems. However, if ACER is of the opinion that further clarity is required on the CAM principles, it should consider adding "The CAM NC rules

should ensure non-discriminatory access, promote cross border trade and facilitate market efficiency. This directly links to enhancing security of supply."

E CAM NC, Chapter I, General provisions (Articles 1-3)



CAM NC Article 1 – Subject matter

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

8

- * 10 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

- * 11 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

The scope of the CAM NC is properly defined under Article 1.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
N/A	<p><i>"When implicit allocation methods are applied, NRAs may decide not to apply article 8 to 37."</i> (Article 5(2) of CAM NC)</p> <ul style="list-style-type: none"> • Make sure mechanisms of implicit allocation (IA) are consistent with the key principles of the CAM NC, in particular the principle of capacity bundling. • To avoid distortions in the functioning of the Internal Market, CNMC considers that all capacity allocation mechanisms must respect the core principles of CAM. Consequently, the CAM NC should be revised article by article (in particular, art.8 to art.37) to analyse the consequences of not applying those articles when implicit allocation is in place. • Coordination when deciding and bundling as two key principles also for IA <p>(CAM TF)</p>	yes

- * 12 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 13 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

It is not clear to ENTSOG why this article should be amended. Although only a handful of TSOs use implicit allocation, where it is applied, always after consultation with the market and approval by the NRA, it has proven to be a very successful tool in further facilitating cross-border trading and, moreover, such mechanisms are highly valued by the market (as evidenced by the fact that no complaints from market participants are known). The fact that implicit allocation is highly valued by market participants who use the interconnectors was evident, among others, during the market consultation held in May 2023 on the Balticconnector capacity allocation mechanism (FI-EE IP).

Implicit allocation plays an important role in addition to the standard CAM auctions for the interconnectors connecting the UK to the European market and has also played a role in facilitating cross-border gas flows via interconnectors in response to the war in Ukraine and the subsequent European security of supply crisis. Limiting the possibility of introducing the implicit allocation method could reduce supply flexibility and potentially have a negative impact on the market.

Therefore, the current wording in CAM fulfills its purpose and provides an opportunity to consider relevant improvements which should of course comply with the core principles of CAM as facilitating cross-border trade, non-discriminatory access, and improving market efficiency and competition. Ultimately, these are the NRAs that must approve such mechanisms and ensure that such a mechanism facilitates cross-border trade. If there are concerns that the adoption of a proposal for an implicit allocation mechanism will distort the market, such a proposal can be rejected. To ensure that the interests of market participants are always properly taken into account when implementing such a method, ENTSOG would propose to include an

obligation for NRAs to issue coordinated decisions regarding the interconnection point for which the implicit allocation method is to be introduced.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>ACER Special Report on addressing congestion in North-West European gas markets</u>	<ul style="list-style-type: none"> "Introduce the concept of 'technical capacity', which refers to the (non-static) maximum-flow capacity at a (virtual) interconnection point considering the network that is optimised for a most likely flow scenario, as opposed to 'firm technical capacity', which is the capacity that can be guaranteed in all flow scenarios. Both indicators shall be reported and updated by TSOs regularly;" (p. 17) Time elements to be considered in these dynamic definitions; (CAM TF) <p><i>Relation with Transparency annex – publication requirement</i></p>	yes*
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	<ul style="list-style-type: none"> Realign auction calendar dates to span July-June 	yes

* Alignment with definitions provided by hydrogen and decarbonised gas markets package

10

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
N/A	<p>Review definition of implicit allocation (alignment with the key principles, in particular bundling) (CAM TF)</p> <ul style="list-style-type: none"> "implicit allocation method' means a capacity allocation method where, possibly by means of an auction, both transmission capacity > on both sides of the border < and a corresponding quantity of gas are allocated at the same time;" (Article 3(6) of CAM NC, with textual clarification) 	yes

* Alignment with definitions provided by hydrogen and decarbonised gas markets package

11

* 14 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

* 15 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

This question actually asks for an opinion on 3 different issues. ENTSOG "completely disagrees" with point 1, and "disagrees" with point 3. The second issue is purely technical, which is why ENTSOG agrees that it should be addressed in the CAM amendment process.

ENTSOG's position is explained point-by-point below:

1) Introduction of the concept of technical capacity - we do not understand or see any benefit to the market by introducing such a change. The proposed definition of technical capacity under the 715/2009 amendment process has remained unchanged. This definition fulfills its role and is understood in a harmonised manner. It will already be difficult to establish a definition for the term "most likely flow scenario", quite apart from the fact that reality will deviate from this scenario in many (most?) cases. ENTSOG believes that introducing these definitions could be misleading for the market. Moreover, the ultimate purpose of the proposal can be more effectively reached through existing tools, such as OS&BB (which would be substantially weakened by the proposed change).

Please note: ENTSOG notes that if there are issues with data publication, they should be resolved in a separate process for updating the transparency guidelines.

2) Alignment of CAM NC rules with current auction calendar - it is only a technical change to align the wording with existing rules. Fully supported by ENTSOG.

3) Review the definition of the implicit allocation - see answer to question 13.

F CAM NC, Chapter II

Principles of cooperation (Articles 4-7)



CAM NC Article 4 – Coordination of maintenance

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

13

* 16 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree

- Neutral
- Disagree
- Strongly disagree

* 17 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Principles are set correctly and have proven to be fit for purpose measures. TSOs already do this well and have obligations to consult the market and adjacent TSOs on this.



CAM NC

Article 5 – Standardisation of communication

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

14

* 18 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 19 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Principles are set correctly and have proven to be fit for purpose measures.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>ACER Special Report on addressing congestion in North-West European gas markets</u>	<ul style="list-style-type: none"> “Introduce the concept of ‘technical capacity’, which refers to the (non-static) maximum-flow capacity at a (virtual) interconnection point considering the network that is optimised for a most likely flow scenario, as opposed to ‘firm technical-capacity’, which is the capacity that can be guaranteed in all flow scenarios. Both indicators shall be reported and updated by TSOs regularly;” (p.17) Time element to be considered (CAM TF) <p><i>Relation with Transparency annex – publication requirement</i></p>	yes*
<u>ACER Special Report on addressing congestion in North-West European gas markets</u>	<ul style="list-style-type: none"> “Promote further harmonisation in the offering of interruptible capacities considering ‘technical capacity;” (p. 17) 	yes

15

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>ACER Report on the Conditionalities Stipulated in Contracts for Standard Capacity Products for Firm Capacity</u>	<p>Integrate conditional capacity products</p> <ul style="list-style-type: none"> “The Agency would welcome a set of harmonised rules, to provide for an effective and well-functioning gas and capacity trading in the EU in line with the competition, environmental and societal goals of the Union.” (p. 10) 	maybe
<u>Implementation Monitoring Report on the Capacity Allocation Mechanisms Network Code – 2016</u>	<p>Introducing a process or methodology:</p> <ul style="list-style-type: none"> “As the NC CAM does not specify what “dynamic recalculation” exactly means and what frequency would be an appropriate one, the Agency requests NRAs and TSOs to discuss and clarify this term. Depending on the outcome, the Commission may need legally to define this term later on.” (p. 6) 	maybe

16

* 20 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

* 21 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

The scope of this question covers several topics:

1) Concept of technical capacity - please see the answer to question 15

2) Harmonization in offering of interruptible capacities considering “technical capacity”

In the Special Report on Congestion in NW Europe, ACER identified 3 CAM-related layers where harmonization could take place: a) bundling of interruptible products, b) alignment of the product’s duration and c) offered amounts of interruptible capacity.

ENTSOG believes that mandatory bundling of interruptible capacity could be counterproductive and cause more distortions in market functioning than benefits. However, it should be clarified in the CAM NC that bundling of interruptible capacity is possible if agreed by all involved TSOs. As it is in the interest of TSOs (and the market) to sell as much capacity as possible, the capacity to be offered is already calculated in the most optimal way in order to maximise the supply of (bundled) firm capacity. The role of interruptible capacity products is to enhance the efficiency of system usage. The level of such efficiency is closely linked to the flexibility for TSOs to take into account the specificities of the system and to adjust the offer, both in terms of level (amount) and product duration. The introduction of new mechanisms aimed at bundling of interruptible capacity will lead to many uncertainties, such as:

- What happens if one TSO has to interrupt but not the other? And then what are the financial implications for each TSO and for the shippers involved?
- The offer of two interruptible products on either side of the IP is different for each TSO and the quantity may be subject to different reasons for interruption; also, the interruptible supply may be based on seasonality - the same capacity may be offered as firm in one season but can only be offered as interruptible in another;
- What if there is a mismatch between the levels of firm and interruptible capacity on both sides of an IP? It would then make more sense to offer interruptible capacity in an unbundled manner. Otherwise, fixed capacity may be "downgraded" to interruptible capacity and, as a result, the final bundled product will also have a higher probability of interruption than the original unbundled product.

3) Integrate conditional capacity products – A definition has already been proposed as part of the process of amending Regulation 715/2009. No further improvements are required. What would integration of conditional capacity products mean?

4) “Dynamic recalculation” process or methodology - From ENTSOG's point of view, harmonization would be counterproductive. The flexibility of dynamic recalculation processes and methodologies allows TSOs to optimize their offerings in the best possible way, taking into account network characteristics, geographical situation and actual flows. Interruptible products are now offered after the DA auction of the firm product has ended. These interruptible products allow TSOs to tailor their offerings to market needs, and to offer all the capacity available that can be used by the market.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

17

* 22 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 23 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Proven to be fit for purpose solutions.

G CAM NC, Chapter III

Allocation of firm capacity products (Articles 8-18)

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	<p>Possibly revisit the set-aside rules of points (6) and (7)</p> <ul style="list-style-type: none"> • "ACER and ENTSOG did consider whether there would be a need to revise also the set-aside rules, in order to avoid capacity for the shorter-term products from being sold-out. No concrete proposal has been put forward as the current wording of the Article already allows for greater shares to be set aside. It can however be considered for the official amendment process whether higher volumes of capacity should be set aside, and/or if a dedicated set-aside rule should be applied to each short-term product" <p>(Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 16)</p>	maybe

19

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 04/2019 "Auction restrictions NCG"</u>	<p>Relevance to be re-assessed</p> <p>"Given the auction-based capacity allocation according to CAM NC at IPs and the deviating capacity allocation process at DEPs based on national law, capacity cannot be allocated in a straightforward manner as competing capacities. Based on that, a reallocation of capacities from IP to DEP might be appropriate as an interim measure for such exceptional cases, if TSOs are guided by a number of predefined criteria:</p> <ul style="list-style-type: none"> • This procedure does not endanger security of supply both for customers supplied via the IP or the DEP • There is no competitiveness reasoning that there is indeed potential for competing demand for capacity at both IP and DEP and, in the absence of appropriate network expansion, the level of demand at the DEP cannot be met without allocating capacity from the IP to the DEP • Capacity may be reallocated to the DEP and will be re-allocated again to the IP if it is no longer needed at the DEP • The relevant network operator offering the capacity seeks cost-efficient measures to meet the overall capacity demand and render the re-allocation redundant. • A reallocation of available capacity is the efficient result of an alignment between the involved network operators of the market areas impacted by the reallocation. • The highest level of transparency is ensured, which involve a yearly alignment meeting between relevant parties, in particular the national regulatory authorities (NRAs) and network operators of the market areas impacted by the reallocation. Furthermore, shippers are informed of possible reallocation of unbooked capacity prior to the relevant auctions on the capacity booking platforms. • TSOs and NRAs will make their best efforts to assure that this interim measure lasts the shortest period of time possible." (Auction Restrictions in the NCG Market Area Issue Solution Note 2020, p. 1-2) 	maybe

20

- * 24 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

- * 25 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

1) Revision of set-aside rules: ENTSOG does not see the need to revise the set-aside rules. Current rules set only a minimum threshold. If market participants would like changes, these could of course be investigated. Additionally, gas market conditions are quite different compared to 10-15 years ago, when CAM NC was elaborated. Nowadays, structural congestion problems – at the basis of the set-aside rules - are generally solved, also thanks to infrastructure developments (with exception of exceptional and/or temporarily limited circumstances).

2) Reallocation of capacities from IP to DEP: We do not really understand the issue since it seems to be connected with reallocation of capacities within the country while CAM NC is applicable to Interconnection Points. Therefore, we think this could be dealt with at member state level. There are different processes in place in the Member States. NRAs are in charge of those and they do so based on the individual circumstances of the system in question.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	<ul style="list-style-type: none"> Advance booking of day-ahead products: Introduction of a 'Balance-of-Month' product [OPTION] (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 17) <p><i>Relation with NC TAR – setting the tariff for the product</i></p>	yes

* 26 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 27 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

As ENTSOG's Members analyzed a number of possible options to address the market's request, ENTSOG decided to highlight the "Neutral" option with regard to the issues related to the topic discussed under FUNC Issue 01/2020 (Q 26-45). For those options, a preliminary analysis of pros and cons was conducted. If the market is interested in implementing the options and willing to pay for them, we will of course respond to market needs. However, further cost-benefit and technical analyses are required. The implementation

process for such changes also requires time (estimated 1-2 years), cost and efforts to present the proposed changes to the market. A similar approach was proposed under Issue Solution for FUNC Issue 01/2020 – gradual implementation principle.

Having said that, ENTSOE disagrees that benefits of the implementation of a new product like Balance-of-the-Month would surpass the drawbacks. By Balance-of-the-Month product we understand a new standard capacity product which duration is reduced every day by one day in the range 30 days – 1 day.

In this view, during the FUNC issue work on Greater flexibility, two potential additional ways of auctioning of day-ahead capacity products were identified, where capacity is offered more upfront than day-ahead, which should be further assessed and considered instead. These would be based on already existing standard daily capacity products, Day-Ahead (DA), without the need of introducing new standard capacity products.

- Seven Days-Ahead Auction (7DA) - possibility to book daily capacity products for either the following seven gas days in the current calendar month, or the following days remaining in the current calendar month if less than seven days are left;

- Balance of the Month Auction (NOT product) - As Balance-of-Month is not standardized across the market, we have opted for a new, potentially homogenous approach, the Balance of the Month auction, which allows an equal volume of daily standard capacity products to be booked in one UPA auction for the next gas day until the end of the month (the number of daily standard capacity products reflects the number of days remaining until the end of the month).

In the above two proposals, a shipper cannot choose individual days, i.e. all daily capacity products offered in the auction must be booked entirely. The proposals were developed as alternatives to one another.

- We favour the Balance of the Month auction and 7 DA auctions because they are simply new ways of auctioning daily products in advance. Such a design does not introduce a new standard capacity product with variable duration. Unlike the Balance of Month product, there is no need to make changes to other legislation such as CMP GL, TAR NC, REMIT to avoid ambiguity on the tariff multiplier of a new variable duration capacity product, for instance.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

* 28 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
-

- Neutral
- Disagree
- Strongly disagree

* 29 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Proven to be fit for purpose solution.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<p><i><u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u></i></p>	<p>Additional booking opportunities</p> <ul style="list-style-type: none"> Any Y firm capacity available after ACAs will be auctioned in subsequent UPAs; Proposed regularity: weekly, on Thursdays (subject to change according to flexibility proposal) Once proposed via UPA, a product can no longer be proposed via ACA again <p><small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 22)</small></p>	<p>yes</p>

* 30 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 31 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

See our general remark about the FUNC issue in response to question 27, which we repeat hereafter: As ENTSOG's Members analyzed a number of possible options to address the market's request, ENTSOG decided to highlight the "Neutral" option with regard to the issues related to the topic discussed under FUNC Issue 01/2020 (Q 26-45). For those options, a preliminary analysis of pros and cons was conducted. If it appears that the market is interested in implementing them and willing to pay for them, further cost-benefit and technical analysis is required. All proposed changes to be implemented require a significant commitment of time and cost. The implementation process for such changes also requires time (estimated 1-2 years) and efforts to present the proposed changes to the market. A similar approach was proposed under Issue

Solution for FUNC Issue 01/2020 – gradual implementation principle.

ACER and ENTSOG have proposed solutions / amendments to the FUNC issue ID 1/2020. The main proposal is to introduce additional booking opportunities via additional UPAs for yearly, quarterly, monthly and advance booking for daily products.

However, we still need to provide a termination rule for ACA to allow for UPA to start. Indeed, there are two options proposed in the FUNC issue solution note that both have pros and cons. Further analysis is needed. Either we force all ACAs to close without allocating capacity in order to be able to start, at the same time all the new UPAs, or not. In the second case, we will have allocation of capacity during the first auction, i.e. ACAs but we will have subsequent UPAs not starting at the same time. There has to be also assessment made regarding the minimum prices of additional UPA auctions.

Article 12 – Annual quarterly capacity auctions

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	Additional booking opportunities <ul style="list-style-type: none"> Any Q firm capacity available after ACAs will be auctioned in subsequent UPAs; Proposed regularity: weekly, on Thursdays (subject to change according to flexibility proposal) Once proposed via UPA, a product can no longer be proposed via ACA again (<i>ACER and ENTSOG have diverging views on the implementation</i>) <small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 22)</small> 	yes

24

* 32 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

* 33 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Please see the answer to question 27 and 31.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	<p>Additional booking opportunities</p> <ul style="list-style-type: none"> Any M firm capacity available after ACAs will be auctioned in subsequent UPAs; Proposed regularity: weekly, on Thursdays (subject to change according to flexibility proposal) Once proposed via UPA, a product can no longer be proposed via ACA again (<i>ACER and ENTSOG have diverging views on the implementation</i>) <small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 22)</small> <p>Advance booking of monthly products</p> <ul style="list-style-type: none"> All 3 M products within a given Q will be auctioned via ACA before start of Q, then auctioned via UPA each week <small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 17-19)</small> 	Yes

25

- * 34 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 35 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Please see the answer to question 27 and 31.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	Advance booking of day-ahead products <ul style="list-style-type: none"> • Introduction of a 'Balance-of-Month' product [OPTION] <small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 19)</small> 	yes

26

* 36 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 37 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG does not agree with the introduction of a new standard capacity product as the Balance-of-Month, hence we find the wording of this question misleading. However, ENTSOG is not against the introduction of new solutions to marketing daily products. Please see the answer to question 27.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u><i>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</i></u>	Advance booking of day-ahead products <ul style="list-style-type: none"> Daily offer of DA products for the following 7 days on a rolling basis until the end of the month <small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 18)</small> 	yes

27

* 38 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 39 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Please see the answer to question 27.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	<ul style="list-style-type: none"> Move the closing of the first WD bidding round ('WD24') earlier in the day (1h30 D → 21h D-1 UTC winter-time) (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 24) 	yes

28

- * 40 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 41 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

An earlier closing time would mean that network users would know earlier whether they had succeeded in acquiring capacity and it would give TSOs extra time to perform system maintenance, for example. Some TSOs have received feedback from their users that they would need a wider time frame in order to have the opportunity to balance themselves through IPs. Also in this light, it is an advantage for market participants to know where they stand earlier. However, we would like to leave this decision to market participants.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u><i>FUNC 01/2020 “Greater flexibility to book firm capacity at IPs” - Issue Solution and Issue Solutions Supporting Note</i></u>	Additional booking opportunities <ul style="list-style-type: none"> Any Y, Q, M firm capacity available after ACAs will be auctioned in subsequent UPAs <small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 “Greater flexibility to book firm capacity at IPs” 2023, p. 15)</small>	yes

29

- * 42 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 43 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Please see the answer to question 31.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	<p>More efficiency in the ACA allocation process</p> <ul style="list-style-type: none"> Explicitly allow TSOs to jointly decide to modify the level of price steps during the auction process (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 21) Provide for a termination rule of ACAs, to allow UPAs to take place (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 28) 	yes
<u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u>	<p>Investigate the possibility/need of introducing pro-rata rule under ACA</p> <ul style="list-style-type: none"> "this option of a pro-rata allocation under ACAs was overall not considered optimal by NRAs and TSOs insofar as (i) it would require the ACA algorithm to be amended as its current parameters do not allow for this feature and as (ii) allowing for a change in the level of price steps during the auction process was deemed easier and more efficient. In any case, with additional UPAs taking place after ACAs, a pro-rata allocation will take place if demand exceeds offer, under already-existing UPA rules." (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 21) Assess whether a pro-rata rule should be added to the ACA algorithm in cases of long-lasting auctioning processes and/or to reduce the risk of price manipulation (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 21) 	maybe
N/A	<ul style="list-style-type: none"> Assess the most efficient way of improving the efficiency of the ACA algorithm, in particular the introduction of a pro-rata allocation, in view of maximization of allocated volumes and risk of price manipulation (cf. CNMC note) 	maybe

30

- * 44 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

- * 45 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG has the following considerations regarding the several proposals included in this question:

1) We do not see a need to adjust the large price-steps during the auction

The solution is very complex and requires an analysis of the costs and benefits associated with its implementation. There are already good alternatives that can be used without introducing such a change, namely pre-adjusting the large price step (e.g. based on price spreads between adjacent HUBs, which are a good indication of willingness to pay). It is important that all parties know what the "rules of the game" are before the auction starts. Amending price steps mid-auction risks disrupting the auction. If such a proposal is considered, it should be clear to all stakeholders exactly what the adjustment means and under what circumstances it would happen. This can then happen automatically in those circumstances, so shippers know exactly what to expect.

2) Provide a termination rule for ACA to allow for UPA to start. Indeed, there are two options proposed in the FUNC issue solution note that both have pros and cons: Either all ACAs are forcibly terminated at the same time without capacity being allocated, after which all additional auctions (UPAs) can start simultaneously. Or each ACA continues to run until capacity is allocated, but then the UPAs may not start at the same time. Further analysis is needed.

3) On a pro rata allocation of capacity, please note that the issue had been dealt with by ENTSOG and

ACER in the FUNC Issue 01/2020 and 01/2022:

“The option of including a pro-rata allocation of capacity under auctions using the ascending-clock algorithm was discussed and assessed by TSOs and NRAs. Still, as jointly expressed by ACER and ENTSOG in the Issue Solution Supporting Note1 to the FUNC Issue 01/2020, and the option of a pro-rata allocation under ACAs was overall not considered optimal by NRAs and TSOs. Not only would it require the ACA algorithm to be amended (this feature is currently not provided) but ACER and ENTSOG deem easier and more efficient to allow for a change in the level of price steps during the auction process. Also, with additional UPAs taking place after ACAs, a pro-rata allocation will take place if demand exceeds offer, under already- existing UPA rules”. However, ENTSOG believes that it is up to the market to decide.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

31

- * 46 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 47 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Proven to be fit for purpose solution.

H CAM NC, Chapter IV

Bundling of capacity at interconnection points (Articles 19-21)

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>ACER Special Report on addressing congestion in North-West European gas markets</u>	<ul style="list-style-type: none"> neighbouring TSOs to “<i>jointly maximise marketing of firm bundled capacities as reflected in the indicator for ‘firm technical capacity’ and allocation of unbundled firm capacities as less as possible;</i>” (p. 16) 	yes
<u>ACER Monitoring Update on Incremental Capacity Projects and Virtual Interconnection Points – 2020:</u>		yes*
<u>FUNC 04/2018 “Implementation of Virtual Interconnection Points” - Solutions note</u>	<ul style="list-style-type: none"> “Ambiguity in text of Regulation 459/2017 (NC CAM) regarding the way of implementation of virtual interconnection points (VIPs)” (Func Issue Solution Virtual Interconnection Points, p. 1) 	

• Hydrogen and decarbonised gas markets package might clarify it already. EC proposal reads “[...] Any contracted capacity at the interconnection points, regardless of the date of its conclusion, shall be transferred to the virtual interconnection point.”

33

* 48 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 49 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Please see the answer to question 21.

ENTSOG would like to underline that TSOs already maximise the offer of bundled capacity. No need for new definition – current definitions already cover the situation.

With regard to the question on VIPs understanding, please note that in the Issue Solution ACER and ENTSOG proposed CAM NC amendment that would clarify whether:

Approach 1: All capacity goes to the VIP.

In this approach the sum of technical capacity of all IPs contributing to the VIP will create a single VIP. All existing contracts for capacity at IPs contributing to the VIP shall be transferred to the VIP.

Approach 2: Only new capacity at the VIP, existing (may) stay at IP.

In this approach the existing contracts remain on the IP and available capacities are marketed on the VIP.

In a letter addressed to ACER and ENTSOG on 6 August 2018, the European Commission denied to follow the suggested joint change proposal stating that an amendment of Article 19(9) is not required to deduct its meaning and ensure its correct implementation.

The EC also stated that the wording of Article 19(9) could be clarified later, in accordance with the ACER /ENTSOG joint considerations on the occasion of future amendments to the NC CAM.

In the letter, the European Commission expresses its opinion that:

- the transfer of contracted and available capacity to the VIP is implicitly required pursuant to Article 19(9) CAM NC;
- an interpretation of Article 19(9) under which a transfer of contracted capacity was not required would prevent the implementation of VIPs in most or even all cases where capacity has been contracted at the interconnection points in question;
- such an interpretation would undermine the application of the Article and contradict the main purpose of the NC CAM, namely to create more liquid and competitive gas markets, and is hence not compatible with the principle of effet utile.

The letter referenced contains the Commission services' interpretation of the Article. It is ultimately for the Court of Justice of the European Union to provide a definitive interpretation of the applicable Union law.

It should be noted that the issue took place in 2018 – since then VIPs have been implemented across Europe and there does not seem to be a need to clarify art 19(9) of CAM NC anymore.

Additionally, if there is a solution provided for the issue in the GHP, there is no need to overregulate it also on the network code level.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u><i>ACER Opinion 06/2018 on the template for the main terms and conditions covering contractual provisions which are not affected by fundamental differences in principles of national law or jurisprudence, for the offer of bundled capacity products</i></u>	<p>update of ENTSOG's "catalogue of the main terms and conditions in the transport contract(s) of the transmission system operators for bundled capacity products." (p. 2)</p> <ul style="list-style-type: none"> • "The Agency is of the view that the Template does not always go as far as would be desirable. In particular, the Agency recommends that the template is enhanced by providing its content in a form ready to be used in contracts across the Union and by elaborating best practices." (p. 19) • "Moreover, the Agency draws ENTSOG's attention on the observations formulated in the recitals of this Opinion." (p. 19) 	yes
N/A	Ensure minimum alignment of Terms and Conditions for dealing with cancellations of bundled capacity	

* 50 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 51 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG has delivered what was possible in the environment of varying degrees of government intervention in the market, usually through powers entrusted either to ministries or national regulatory authorities (NRA). Further alignment therefore requires changes in the governance of private law provisions, such as commercial and civil law provisions regulating the provision of services by one private entity to another. Fundamental principles of civil law remain country specific. Therefore, a harmonization project would be a long and labour-intensive process dealing with the specificities of those different national legal systems. The whole harmonization project would be compromised when the content of transport contracts, even in just one country, is imposed by national laws.

In the end, transport contracts are already harmonised at a high degree to reflect and respect the TSOs responsibilities and duties in providing their own services, also considering the above-mentioned legal limitations.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>ACER's comments on the Capacity Conversion Model created by ENTSOG pursuant to Article 21(3) of the NC CAM</u>	<ul style="list-style-type: none"> “ENTSOG <u>does not provide for a harmonized conversion model</u>. According to Article 21(3), NC CAM foresees that ENTSOG provides for a harmonized conversion model. The NC does not aim for the application of all potentially existing “conversion methods”, which are designed individually by each TSO. The NC foresees that ENTSOG will coordinate across TSOs and propose a model that fits with the general principles of the NC CAM to offer “transparent and efficient allocation of capacity.” (p. 3) “The Agency <u>recommends that the same conversion model applies at least per entry-exit zone border</u>, should several Interconnection Points connect the respective entry-exit zones.” (p. 3) 	maybe

* Hydrogen and decarbonised gas markets package might clarify it already

35

* 52 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 53 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

There are already working models in place. We struggle to see an added value of changing them.

I CAM NC, Chapter V

Incremental capacity process (Articles 22-31)

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

- Hydrogen and decarbonised gas markets package must fix legal basis
- JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

37

- * 54 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 55 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

The CAM NC should preferably continue to provide a mechanism for TSOs that provides a general framework for the possible procedure for creating incremental capacity if reciprocally agreed by the involved TSOs and NRAs. ENTSOG believes that the incremental process, if made simpler, would be a good mechanism because it provides market users with an opportunity to express their demand. Other general proposals:

- Improvements that would result in a more flexible process that can respond to evolving or local circumstances;
- It should be clearly stated that it should be possible to complete the entire INC process within one year;
- If the binding phase ends with a positive economic test, the investment shall automatically be included in the National Ten Year Development Plan and taken into account in the tariff process.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

- Hydrogen and decarbonised gas markets package must fix legal basis
- JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

38

* 56 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 57 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

No changes will be needed to the rules regarding the setting of the f-factor.

Article 24 – Combination into single economic test*

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

• Hydrogen and decarbonised gas markets package must fix legal basis
 • JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19 39

* 58 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 59 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG disagrees to deletion of INC chapter. However, this chapter should be simplified and made voluntary. Then, from ENTSOG perspective, no changes are needed to rules concerning possibility of combination into single economic test.

Regarding the economic test it should be mentioned that TAR NC (Chapter IX, art. 33) contains Tariff principles for incremental capacity, inter alia with respect to the mandatory minimum premium that may be applied to the reserve price and that is subject to NRA approval. If the incremental chapter is removed from CAM NC, NRAs would no longer be delegated to approve the Minimum Mandatory Premium MR, which is needed in many cases to enable a positive economic test.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

- Hydrogen and decarbonised gas markets package must fix legal basis
- JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

40

* 60 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

* 61 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

From ENTSOG perspective, no changes are needed to the requirements concerning the publication of the economic test.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>2nd Monitoring Update on Incremental Capacity Projects - 2021</u>	<p>Frequency of process</p> <ul style="list-style-type: none"> "As far as the existing <u>incremental process</u> is concerned, the process is burdensome for TSOs and NRAs and, given the limited expectations on the future gas consumption, NRAs question whether the obligation to repeat the incremental-capacity cycle every 2 years for all gas interconnection points remains meaningful." (p. 12) <p>Administrative fees</p> <ul style="list-style-type: none"> "Within the current rules, NRAs may, in line with Article 26(11) of the CAM NC, approve the <u>charging of a fee to network users that wish to express non-binding interest</u>. Such fee shall reflect the administrative costs of the process and could help to attract more robust expressions of non-binding interest that have a better chance of being converted into binding capacity bookings or lead to a closure of the incremental process in the earliest stage of the demand assessment." (p. 12) 	maybe
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

• Hydrogen and decarbonised gas markets package must fix legal basis
• JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

41

* 62 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

* 63 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG agrees that changes are needed regarding the demand assessment process and proposes the following changes:

- Voluntary process - Demand assessment to be started on a voluntary and reciprocally agreed basis;
- More flexibility in the timelines of the process - TSOs should not be limited by the current timeframes or required to carry out the demand assessment process every two years, so the market has the possibility to indicate demand when needed;
- Less administrative burden - only for borders with a demand indication or showing evidence for incremental capacity, an MDAR needs to be published;
- Stronger cooperation - TSOs should be obliged to share the results of the incremental capacity demand assessment with the adjacent TSO so that this TSO can take the necessary measures;
- TSOs should be allowed to impose mandatory fees for all non-binding indications as part of market screening, but without the requirement of prior approval by the NRA, provided that the fees are cost reflective. Most importantly, the amount should be high enough to compensate for the TSOs' work and analysis. The fee can be refunded if the binding indication during the allocation phase is at least at the same level as that in the non-binding phase.
- an additional stage should be added in the procedure in which, after publication of the MDAR, market users who have submitted a non-binding demand indication should be required to confirm their demand by paying the fee set by the operator to cover the costs of further incremental process stages, in particular those costs arising from technical analysis and labour deployment.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

- Hydrogen and decarbonised gas markets package must fix legal basis
- JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

42

* 64 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 65 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG agrees that changes are needed regarding the design phase and proposes the following changes:

- Adjusting the timetable for the design phase, as the current 12 weeks TSOs have for internal technical analysis and development of a joint draft project proposal for consultation could be too short compared to the subsequent period needed for project finalization and NRA approval

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

• Hydrogen and decarbonised gas markets package must fix legal basis
• JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

43

- * 66 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 67 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Then, ENTSOG agrees that changes are needed regarding the approval and publication and proposes the following changes:

- The NRA shall have a maximum of 3 months to approve the INC project proposal, which may be extended by one month, if needed. Each TSO shall submit the project to its NRA for approval, without the requirement of coordinated decisions however providing the strong level of coordination and cooperation between NRAs before issuing their decisions.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.	maybe

• Hydrogen and decarbonised gas markets package must fix legal basis
• JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

44

* 68 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 69 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG agrees that changes are needed regarding the auctioning of incremental capacity and proposes the following changes:

- neighboring TSO's should be allowed to hold bundled auctions for incremental capacity regardless of the auction calendar, if deemed appropriate and without having to apply an Alternative Allocation Mechanism.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no
N/A	<p>The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.</p> <p>To be considered if for the case of multi-IP projects (longer corridors) a harmonised process has added value (CAM TF)</p>	maybe

- Hydrogen and decarbonised gas markets package must fix legal basis
- JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

45

* 70 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 71 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOG agrees that changes are needed regarding the principles for alternative allocation mechanisms and proposes the following changes:

- Alternative Allocation Mechanisms should be allowed not only for multi-IP projects but also for single-IP projects if TSOs see benefits in such an approach and provided it is approved by NRAs (like Open Season procedures in the past).

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	<ul style="list-style-type: none"> Based on the nature of the article it <u>may be redundant</u> or to be <u>updated</u> 	yes
N/A	<p>The chapter on incremental capacity should be deleted from the NC. Triggering (cross-border) investments in light of climate neutrality objectives could be considered contradicting and experience with incremental processes in the past showed little relevance against cumbersome procedures.</p>	maybe

- Hydrogen and decarbonised gas markets package must fix legal basis
- JUDGMENT OF THE GENERAL COURT 16 March 2022 (*) In Joined Cases T-684/19 and T-704/19

46

- * 72 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 73 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

ENTSOE disagrees for deletion of the INC chapter, however agrees to update or delete art 31.

J CAM NC, Chapter VI

Interruptible capacity (Articles 32-36)

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>ACER Special Report on addressing congestion in North-West European gas markets</u>	<ul style="list-style-type: none"> • “Neighbouring TSOs to extensively <i>coordinate and jointly maximise the availability of firm and interruptible capacities</i>;” (p. 4) • Bundling as key principle for offering interruptible (CAM TF) 	yes
<u>FUNC 01/2020 “Greater flexibility to book firm capacity at IPs” - Issue Solution and Issue Solutions Supporting Note</u>	<p>Alignment with proposals on</p> <ul style="list-style-type: none"> • Additional booking opportunities • Advance booking of monthly products • Advance booking of day-ahead products (Daily offer of DA products for the following 7 days on a rolling basis until the end of the month; Introduction of a ‘Balance-of-Month’ product) (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 “Greater flexibility to book firm capacity at IPs” 2023, p.14-19) <p>Move Y, Q, M interruptible auctions from ACA to UPA</p> <ul style="list-style-type: none"> • It “<i>should allow a quicker allocation and avoid the cases of inefficiencies of ACA under certain market conditions to effectively allocate interruptible capacity</i>” (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 “Greater flexibility to book firm capacity at IPs” 2023, p. 23) 	<p>yes</p> <p>maybe</p>

48

* 74 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

* 75 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Please see the answers to question 21 and question 27.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

* 76 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 77 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Proven to be fit for purpose solution.

Article 34 – Coordination of interruption process

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

50

- * 78 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

- * 79 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Proven to be fit for purpose solution.

Article 35 – Defined sequence of interruptions

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

* 80 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 81 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Proven to be fit for purpose solution.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	no

* 82 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

* 83 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

Proven to be fit for purpose solution.

K CAM NC, Chapter VII

Capacity booking platforms (Article 37)

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<u>ACER Decision 10-2019 on the Selection of a Capacity Booking Platform for the Malinow and GCP Gas Interconnection Point (Corrigendum)</u>	<ul style="list-style-type: none"> Review the future involvement of ACER in the selection process 	maybe
N/A	<p>Efficiency of the process</p> <ul style="list-style-type: none"> proposal: reassess/redraft the rules for deciding on an auction platform (Art. 37) to avoid repeating procedures in a relatively short timeframe (e.g. by extending the validity time of the platform decision to avoid additional red-tape or require a reassessment on a needs/request basis) 	maybe

54

- * 84 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 85 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

At this stage ENTSOG remains neutral to the proposal.

L CAM NC, Chapter VIII

Final provisions (Articles 37A-40)

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<p><u><i>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</i></u></p> <p>N/A</p>	<p>More flexibility to adapt several CAM rules</p> <ul style="list-style-type: none"> The CAM NC should allow several identified rules and parameters to be changed, ahead of auction year, after due assessment, consultation, and regulatory decision (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 28-29) <p>regulators must be involved in any change affecting the functioning of the capacity allocation mechanisms set in the regulation</p>	<p>yes</p>

56

* 86 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

* 87 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

In principle, ENTSOG believes that predefined flexibility should be allowed for CAM NC changes in a less formalised and time-consuming manner than the official network code amendment process. Nevertheless, the flexibility of the process should not undermine the principles of market stability and transparency. The following should be taken into account when introducing new flexibility rules:

- CAM NC principles provide stable and standardized rules which the market can regard as the core of cross-border trade arrangements. Unpredictable changes could divert from these principles and destabilise the market.
- The CAM NC is based on a balanced input from all relevant stakeholders and should therefore maintain a balance between granting the necessary discretion to individuals or entities and ensuring the necessary checks and balances.
- The official amendment process should clearly define the objective criteria for the process start to be clear to all stakeholders. Before triggering the process there should be a clear and positive CBA evidence in making the changes.
- The timeline of the process and the consultation should be clearly defined.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	<ul style="list-style-type: none"> Based on the nature of point 4 of the article (conditionalities report), it may be redundant or to be updated 	yes

57

- * 88 Do you agree with ACER's review of this CAM NC article and the identified area(s) of improvement (yes=amendment identified, maybe= amendment may improve market, no=no change envisioned)?

An amendment may further improve the market functioning and better capacity allocation

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

- * 89 Please elaborate on why do you agree or disagree with ACER's review, being specific about which elements you agree or disagree with? Are there further improvements that you consider relevant in this area in addition to the ones raised by ACER in the scoping document; please explain your reasoning?

At this stage ENTSOG remains neutral to the proposal.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	/

58

90 This article concerns legal procedural matters; please write down any comments you may have on this article?

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
/	/	/

59

91 This article concerns legal procedural matters; please write down any comments you may have on this article?

M Other comments or suggestions

92 Do you have any other comments or suggestions?

ENTSOG would like to underline that the survey was conducted in a spirit of what would add most value to the market. As proven so far, full harmonisation is not always the best option. If the market and TSOs are given the proper flexibility, network users can get the most optimal offer, taking into account network specifications, different geographical indicators and individual peculiarities. Therefore, according to ENTSOG, the overarching principle together with harmonisation should be to provide the market with the best possible solutions that allow for a liquid markets, free flows and transparent rules. The changes proposed by ENTSOG are based on this principle and the experience gained so far by its members. On the side note, ENTSOG would like to underline that for some questions it was difficult to choose one conclusive 'closed' answer from the multiple-choice list. This was caused by the fact that the question covered several aspects at once. Therefore, it is of utmost importance to read the 'closed' answer choices together with the 'open' explanations thereto.

**N Responses are published in full, safe for the contact person information;
please confirm that your version does not contain confidential information**

* 93 I understand my response will be published and

- I confirm that my response does not contain confidential information
- I confirm that my response contains confidential information, properly marked as such, and a non-confidential version of my answer is included

Thank you!

Contact

[Contact Form](#)