

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?

Gas Networks Ireland strongly disagrees with making changes to all 3 topics which are covered by this question, such changes can be deemed as unnecessary and counterproductive to enabling the growth and security of Europe's gas network. Gas Networks Ireland see the cooperation between North-Western 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 usage.

1) Maximization of technical and firm bundled capacity Firstly, the aim of this change is to calculate the ratio between firm and interruptible capacity knowing the flow pattern and the weather forecast for instance. It will not change the amount of firm + interruptible capacities just the ratio between them. Therefore, we do not see an adequate interest for this additional measure. This measure will also create difficulties to offer different levels of firm capacities for different lengths of capacity products. TSO's will not be able to set aside a percentage of firm capacity for short term products if the level of firm capacity is variable.

2) Strengthening coordination Gas Networks are strongly opposed to the harmonization of the capacity calculation methodology. Each network is different and by harmonizing the capacity calculation methodology it does not allow for flexibility which limits the optimization capability of individual networks. The harmonization of capacity calculation methodology would not take into account the significant differences that exist between networks.

3) Clear Recital on CAM principles – Gas Networks Ireland 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.

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

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?

Gas Network Ireland strongly agrees there is no need for improvement.

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

9

- * 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?

This does not affect Gas Networks Ireland and therefore do not wish to comment as such.

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"> • “<i>implicit allocation method</i>’ 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)?

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Gas Networks Ireland "completely disagrees" with point 1, and "disagrees" with point 3. The second issue is purely technical, which is why Gas Networks Ireland- refers to the answer given to question 13 in this consultation. Gas Network Ireland agrees that it should be addressed in the CAM amendment process.

1) Introduction of technical capacity concept –Gas Networks Ireland do not see a need for such a change. The proposal of the technical capacity definition under amendment of 715/2009 process remained unchanged. This definition fulfills its role and is understood in a harmonized manner. We do not see the added value of the proposed firm technical capacity definition. Defining the term "most likely flow scenario", will serve no benefit as in reality due to continuous market volatility the reality will deviate from this scenario in many (most?) cases. Introducing these definitions could be misleading for the market.

2) Adjustment of the CAM NC rules to the current auction calendar – Gas Networks Ireland supports this initiative.

3) Change of implicit allocation method definition- see answer to question 13.

F CAM NC, Chapter II

Principles of cooperation (Articles 4-7)

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

- * 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
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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?

Gas Networks Ireland believe the principles are set correctly and proven to be fit for purpose measure.



CAM NC

Article 5 – Standardisation of communication

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

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<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

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 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?

1) For the concept of technical capacity please refer to the answer to q 15

2) Harmonisation 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.

Gas Network Ireland believe 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 - Harmonization would be counterproductive as stated in q 9. 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?

Gas Network Ireland agrees that this is fit for purpose.

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?

The scope of this question covers several topics:

1) Revision of set-aside rules: Gas Networks Ireland 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.

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?

Gas Networks Ireland strongly disagrees with the implementation of a new capacity product like Balance-of-the-month.

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.



CAM NC Article 10 – Applied capacity unit

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?

Gas Network Ireland agrees that this is fit for purpose.



CAM NC

Article 11 – Annual yearly capacity auctions

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>

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* 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?

Gas Networks Ireland does not oppose adding additional uniform price auction opportunities as it would provide shippers with a safety net in case they missed the annual ascending clock capacity auction.

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.

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>Additional booking opportunities</p> <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> 	<p>yes</p>

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Please refer to the answer given for q 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

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Gas Network Ireland disagrees with this proposal as it would be of little to no benefit and may require complex systemization.

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"> • 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

* 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?

Please refer to the answer given in q27

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?

Refer to answer given in q 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 refer to q 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?

This does not affect Gas Networks Ireland and therefore do not wish to comment as such.

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?

Gas Network Ireland strongly agree that this is fit for purpose.

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?

Gas Networks Ireland 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.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<p><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> <p>N/A</p>	<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) <p>Ensure minimum alignment of Terms and Conditions for dealing with cancellations of bundled capacity</p>	<p>yes</p>

* 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?

For further alignment to be done, it would need to first initiate changes in the governance of private law provisions, like commercial and civil law provisions regulating services from a private entity to another. Fundamental principles of civil law remain country specific. Therefore, a harmonization project would be a long and labor intensive process dealing with those various national legal systems specificities. The whole harmonization project would be compromised when the content of transport contracts is imposed, even in one country only, by national laws. Due to Gas Network Irelands Moffat interconnector based in the UK we strongly disagree with this proposal as would lead to further legal complications with a third party country.

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
<p><u><i>ACER's comments on the Capacity Conversion Model created by ENTSOG pursuant to Article 21(3) of the NC CAM</i></u></p>	<ul style="list-style-type: none"> • “ENTSOG <i>does not</i> provide for a harmonized conversion model. 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</u> that the same conversion model applies at least per entry-exit zone border, should several Interconnection Points connect the respective entry-exit zones.” (p. 3) 	<p>maybe</p>

* 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?

Gas Networks Ireland does not see any added value of having the same conversion model.

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?

There should be some voluntary mechanism left in the CAM NC for TSOs giving a general framework for the possible procedure of creating incremental capacity. Gas Networks Ireland believes that incremental process if made voluntary and simpler, would be a good mechanism as it also allows market to express its demand. Other general proposals:

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

Gas Networks Ireland disagrees with the deletion of this chapter, this should be a voluntary process.

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?

With regard to economic test it shall be mentioned that TAR NC (Chapter IX, art. 33) provides Tariff principles for incremental capacity i.a. with regard to mandatory minimum premium which may be applied to reserve price and is subject to NRA approval. If incremental chapter is deleted from CAM NC, NRAs would not have any more a delegation to approve the Minimum Mandatory Premium MR which in many cases is necessary 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?

Gas Networks Ireland disagrees to deletion of INC chapter. However, this chapter should be simplified and made voluntary. Then, from a Gas Networks Ireland perspective, no changes are needed to rules concerning publication of the economic test. Gas Networks Ireland disagrees with the deletion of the INC chapter. However, this chapter should be simplified and made voluntary.

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 <i>incremental process</i> 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 <i>charging of a fee to network users that wish to express non-binding interest</i>. 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?

Gas Networks Ireland disagrees to deletion of INC chapter. However, this chapter should be simplified and made voluntary. Then, Gas Networks Ireland agrees that changes are necessary with regard to demand assessment process. Following changes are proposed by Gas Networks Ireland:

- Voluntary process - Demand assessment to be started on the voluntary basis;
- More flexibility for the process timeframe: TSOs should not be limited by current timeframes/ no obligation to run the demand assessment process every two years, leaving the market an option to indicate demand in whenever needed;
- Less administrative burden - only borders with a demand for incremental capacity need to publish a MDAR.
- Stronger cooperation - TSOs should be obliged to share the inquiry of incremental capacity with the adjacent TSO so that the TSO on the other side of the border can take the necessary measures.
- There should be possibility to impose mandatory fees by TSO for all non-binding indications under market screening part but without requirement of prior approval by the NRA. Most importantly their amount should be high enough to compensate TSOs work and analysis. The fee could be returned if binding indication during allocation phase is at least at the same level as in non-binding phase.; Fees should be cost-reflective.
- there should be an additional phase in the procedure where after publication of MDAR,

market users who submitted non-binding demand indications shall be obliged to confirm their demand by paying the fee determined by the operator covering costs of further incremental process phases, in particular deriving from technical analysis and workforce.

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?

Gas Networks Ireland disagrees to deletion of INC chapter. However, this chapter should be simplified and made voluntary. Then, Gas Networks Ireland agrees that changes are necessary with regard to design phase and proposes the following changes:

- Adjusting the design phase timeframe as current 12 weeks given for internal technical analysis and developing TSOs joint draft project proposal for consultation is too short compering to the subsequent period predicted for project finalization and NRAs 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?

Gas Networks Ireland disagrees to deletion of INC chapter. However, this chapter should be simplified and made voluntary. Then, Gas Networks Ireland agrees that changes are necessary with regard to approval and publication and proposes the following changes:

- NRA shall have max 3 months for approval of INC project proposal, eventually with a possibility to prolong by one month. Each TSO shall submit the project for approval by its NRA, without requirement of coordination 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?

Gas Networks Ireland disagrees to deletion of INC chapter. However, this chapter should be simplified and made voluntary. Then, Gas Networks Ireland agrees that changes are necessary with regard to auctioning of the incremental capacity and proposes the following changes:

- Neighboring TSO's should be allowed to run bundled auctions for incremental capacity regardless of the auction calendar;

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?

Gas Networks Ireland disagrees to deletion of INC chapter. However, this chapter should be simplified and made voluntary. Then, Gas Networks Ireland agrees that changes are necessary with regard to principles for alternative allocation mechanism and proposes the following changes:

- Alternative Allocation Mechanism shall be allowed not only for multi-IP projects but also for single-IP projects if TSOs see benefits of such approach and unless it is approved by the 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?

Gas Network Ireland strongly agrees.

J CAM NC, Chapter VI

Interruptible capacity (Articles 32-36)

Article 32 – Allocation of interruptible services

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) 	yes maybe

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 refer to q 21

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?

Gas Network agrees that there is no need for change to the minimum interruption lead times

Article 34 – Coordination of interruption process

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

* 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?

Gas Networks Ireland agrees, that there is no need for change.

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?

Gas Networks Ireland agrees there is no need for a change to article 35

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

52

- * 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?

Gas Networks Ireland agrees there is no need for any change to article 36

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?

Gas Networks Ireland remains neutral as can see the benefit of a review of ACER's involvement in the selection process.

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?

Gas Networks Ireland believes that defined flexibility should be allowed for changes of CAM NC in less formalised and time-consuming way than official network code amendment process. Nonetheless, process flexibility shall not undermine such principles as market stability and transparency. While introducing new flexibility rule following things should be taken into consideration:

- CAM NC principles provide stable and standardized rules for the market to understand as core cross border trading arrangements. Unpredictable changes could divert from these principles and destabilise the market.
- The CAM NC is built on balanced inputs from all the relevant stakeholders and therefore should maintain balance between granting individuals or entities the necessary discretion to make decisions and ensuring that there are checks and balances in place.
- 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

* 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?

Gas Networks Ireland

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?

Gas Networks Ireland would repeat the ENTSOG comments within their own response. Further, Gas Networks Ireland is in the unique position in that its neighboring TSO is the United Kingdom which is now a third country.

The United Kingdom is presently bound by the current provisions of the CAM NC but may chose not to be bound by any amendments thereto.

As it has been proven so far, full harmonisation is not always the best option. If proper level of flexibility is provided to the market and TSOs – the most optimized offer taking into consideration network specification, different geographical indicators as well as individual specificities, can be given to network users. Therefore, in Gas Networks Irelands view the overarching principle should be to give market the best possible solutions enabling liquid flow and transparent rules.

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](#)