

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:

Please note Interconnector Ltd is also a UK TSO

6 Business field:

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

7 Please specify if other:

A particular type of TSO - An Interconnector

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
<u>ACER Special Report on addressing congestion in North-West European gas markets</u>	<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?

Interconnector is supportive of the ambition to improve overall market functioning. It is important in considering amendments to the CAM code, that any changes seek to:

- address clearly identified problems.
- propose value added changes which are assessed against whether the amendments will further facilitate cross border trade and improve market efficiency.
- enable enough adaptability to address evolving market needs without necessarily the need to amend European legislation. This is likely to mean less rather than more prescriptive rules.

We do not necessarily see the value added in additional recitals in the areas identified. TSOs already have an obligation to maximise the offer of capacity under Article 16 of the EU Gas Regulation (EC 715/2009) and Article 6 of CAM, which also require coordination. The Congestion Management Procedures (CMP) also already outline measures to address contractual congestion. Article 1 and the recitals also provide clear CAM principles though reference to rules which facilitate cross border trade, market efficiency and ensuring the offer of capacity products which meet market users' needs could be considered.

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

* 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 purpose of the CAM NC is clearly defined under Article 1.



CAM NC Article 2 – Scope

Policy paper reference	Nature of proposal in the policy paper	Area of improvement
N/A	<p>"When implicit allocation methods are applied, NRAs may decide not to apply article 8 to 37." (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><small>(CAM TF)</small></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?

Implicit Allocation (IA): Important to focus on value added amendments and rule changes where there are identified problems in terms of facilitating cross border trade and market efficiency. IA is used by a handful of

TSOs only. No evidence has been included in the scoping document or at the 12th ACER CAM workshop that the current IA rules are a barrier to cross border trade or market efficiency. On the contrary, where adopted, after market consultation and National Regulatory Authority (NRA) approval, IA has been successful in further facilitating cross border trade and such mechanisms are appreciated by the market (complementing commodity transactions). This was confirmed by Shipper reactions at the 12th December workshop. There is no barrier to cross border trade or market efficiency caused by the IA wording in CAM. IA mechanisms have played an important role, in addition to standard auctions, for the interconnectors linking the UK to Europe. The bookings made via IA have allowed for an immediate, efficient and highly effective solution to deliver gas cross border and into European storages in response to the Ukraine war. For Interconnector, IA also bundles both sides of the pipe. The current wording in CAM therefore fulfils its purpose, providing the option to consider value added enhancements which must still adhere to the principles of facilitating cross border trade, non-discriminatory access, market efficiency and competition. NRAs will approve such mechanisms and must ensure the mechanisms facilitate cross border trade. If there is a concern about the adoption of IA, the mechanism does not need to be implemented.

Article 2.1 (Scope): We believe an amendment is also necessary to Article 2.1 for legal clarity and to meet its original intent and scope. Article 2.1 states that “This Regulation shall apply to all interconnection points”. The scope of an IP was however broadened to include points with third countries by the fact that the definition of an “Interconnector” was amended with the update of the Gas Directive (EU) 2019/692 (amending Directive 2009/73/EC). The amended definition of an “Interconnector” in Article 2.17 of Directive (EU) 2019/692 was amended to include a transmission line between a Member State and a third country:

“interconnector” means a transmission line which crosses or spans a border between Member States for the purpose of connecting the national transmission system of those Member States or a transmission line between a Member State AND A THIRD COUNTRY UP TO THE TERRITORY OF THE MEMBER STATES OR THE TERRITORIAL SEA OF THAT MEMBER STATE;”

Consequently, Article 2.1 can be mistakenly interpreted to suggest IPs with an entry and exit point from and to a third country must be within scope of the Regulation. This is clearly not the original intent or purpose of the CAM rules since Article 2.1 explicitly states that the CAM rules may only apply to such IPs with entry and exit point from and to a third country, subject to a decision of the relevant NRA. This also remains appropriate noting that IPs with third countries also need to be able to ensure compatible and consistent arrangements with interconnections within those third countries beyond EU jurisdiction (e.g. Interconnector will need to ensure that arrangements are compatible with arrangements at the UK Bacton IP and any mandatory increase in auctions, products or other changes one side of the Interconnector need to work with arrangements on the other side of the pipeline to continue facilitating cross border trade). Therefore, Article 2.1 should be amended to ensure there is legal clarity that the application of the CAM rules to an IP with a third country, which is also an entry and exit point to a third country, continue to be subject to the decision of the relevant NRA.

Article 2.1 should be amended to: “This Regulation shall apply to interconnection points CONNECTING ADJACENT ENTRY-EXIT SYSTEMS OR CONNECTING AN ENTRY-EXIT SYSTEM WITH AN INTERCONNECTOR WHICH CROSSES OR SPANS A BORDER BETWEEN MEMBER STATES. It may also apply to entry points from and exit points to third countries, subject to the decision of the relevant national regulatory authority. This Regulation shall not apply to exit points to end consumers and distribution networks, entry points from ‘liquefied natural gas’ (LNG) terminals and production facilities, and entry points from or exit points to storage facilities.”

Noting some of the IPs with third countries are also key supply routes into Europe (e.g. significant imports of gas from LNG landing in the UK via the UK – Continental interconnectors), it is important that arrangements at these points can function and compete fairly with EU entry/exit arrangements from other key supply routes

into/out of Europe. In this context, LNG entry points and upstream production entry points from third countries accounts for most EU supplies yet are explicitly out of scope of this regulation.

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 asks for an opinion on 3 different issues. Interconnector is "neutral" with point 1, and "strongly disagrees" with point 3.

Point 1 – concept of technical capacity: We do not see any value added in making changes here. The EU Gas Regulation (Article 16) and Article 6 of CAM are already clear; TSOs already have an obligation to maximise the offer of capacity and coordinate. Additionally, CMP rules outline requirements to address contractual congestion. If there is a concern that technical capacity is not being maximised, this is an implementation issue which can be investigated by NRAs.

Point 3 - Review the definition of the implicit allocation:

As noted in our response to question 13, it is important to focus on value added amendments to CAM and focus on rules which are causing a barrier to cross border trade and market efficiency. With this in mind, there are no issues arising with the current implicit allocation definition in CAM; it correctly refers to the simultaneous allocation of gas and capacity and no market users that we are aware of have complained about it. No evidence has been included in the scoping document or at the 12th ACER CAM workshop that the current implicit allocation rules are a barrier to cross border trade or market efficiency. On the contrary, where adopted, after market consultation and NRA approval, implicit allocation has been highly successful in further facilitating cross border trade and such mechanisms are highly appreciated by the market (helping them compliment commodity transactions). Shipper reactions at the 12th December ACER CAM workshop confirmed this. Implicit allocation has played an important role in addition to standard CAM auctions for the gas interconnectors linking the UK to Europe. It has allowed for immediate, efficient and highly effective solutions to deliver gas cross border and into European storages in response to Ukraine War and European Security of Supply crisis.

It is important to note that, in the example of Interconnector, the use of implicit allocation bundles capacity across the Interconnector and that shippers can purchase standard products in connected systems. A requirement for the same arrangements to be adopted by the adjacent TSO may not be optimal and could cause a barrier to cross border trade where connected TSOs have fundamentally different networks, markets or regulatory arrangements (e.g. Interconnector is a merchant operator exclusively using cross border points and competes in the flexibility market – very different to a regulated meshed national TSO). There is nothing in the current rules which prevent the same arrangements being adopted across an IP, if this is appropriate and beneficial.

The current definition in CAM thus fulfils its purpose, providing the option to consider value added enhancements which must still adhere to the core principles of facilitating cross border trade, non-discriminatory access, improving market efficiency and competition. NRAs will ultimately approve such mechanisms and must ensure the mechanism promotes cross border trade. It is important current implicit mechanisms, which work to facilitate cross border trade, are not jeopardised. If there is a concern about the adoption of an implicit allocation mechanism such a proposal can be rejected.

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
- 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?

Article is clear and TSOs already do this, in consultation with market.

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

* 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?

Rules as outlined are clear and 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 - We do not necessarily see the value added in additional amendments to the Article. It already clearly requires TSOs to maximise the offer of capacity and coordinate. There are also rules within the EU Gas Regulation and the obligation for TSOs to publish their technical capacity and assumptions. CMP rules furthermore outline measures to address contractual congestion where it exists. If there are issues identified this can be addressed as an implementation issue.

2) Harmonization in offering of interruptible capacities considering “technical capacity”: Further harmonisation in the offer of interruptible capacity can be considered to address some issues seen at IPs. It is important however to note that the offer of interruptible capacity will be dependent on a number of factors within the TSOs own network and the probability of interruption is also dependent on factors within the TSOs own network. Consideration is also required for ensuring the continued ability to use of existing overnomination tools.

It is also key that unbundled interruptible capacity remains available as an important cross border facilitation and market optimisation tool e.g. helping shippers if there is a mismatch between the levels of firm and interruptible capacity on both sides of an IP. However, it should be possible for TSOs to bundle interruptible capacity if agreed by the involved TSOs.

3) Integrate conditional capacity products – Unclear what is being considered and what this means in the context of the CAM code – further details required.

4) “Dynamic recalculation” process or methodology – We believe the rules are already adequate. TSOs do publish their technical capacity calculations, and these are reviewed periodically. A number of TSOs already offer over-nomination, interruptible capacity and additional short term firm products based on dynamic calculations of capacity availability and capacity utilisation. It is also noted, that some shippers in the ACER 12th December CAM workshop, also expressed the need for capacity to be clear to the market and said constantly changing firm capacity levels may discourage participation in some auctions (e.g. willingness to pay will be determined by market fundamentals and how scarce capacity is perceived to be, which, would only become clearer near the time of capacity use if firm capacity levels are constantly changing).

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

* 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?

Rules are appropriate and working effectively.

G CAM NC, Chapter III

Allocation of firm capacity products (Articles 8-18)



CAM NC Article 8 – Allocation methodology (1/2)

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>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><small>(Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 16)</small></p>	<p>maybe</p>

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><i>"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:</i></p> <ul style="list-style-type: none"> <i>This procedure does not endanger security of supply both for customers supplied via the IP or the DEP</i> <i>There is comprehensive 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</i> <i>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</i> <i>The relevant network operator offering the capacity seeks cost-efficient measures to meet the overall capacity demand and render the re-allocation redundant.</i> <i>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.</i> <i>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.</i> <i>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)</i> 	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 different topics. Our comments refer to the set aside rule and whether there is a need to increase the amount of capacity set aside for short term auctions:

Revision of set-aside rules: Interconnector does not support a revision to the set aside rules increasing the amount of capacity withheld from the market until the short term. It is not clear what is the objective or market failure that needs to be addressed. It potentially increases market inefficiency by arbitrarily restricting the amount of capacity available. If consideration of such an adjustment is to address the risks of contractual hoarding, then a) CMP rules b) competition law is already in place. We believe that being able to offer and contract all capacity is beneficial for:

- 1) Society, as it improves Security of Supply, market efficiency, affordability and consumer welfare;
- 2) Market participants – who can better decide and plan evolving portfolio needs to secure supply routes to their customers; and
- 3) TSOs, to secure bookings and revenues supporting their viability, which in turn supports more stable tariffs.

It should be noted that market sentiments have shifted to demand more longer product durations in the face of recent security of supply challenges caused by the war in Ukraine. It should also be noted 10% of capacity is already a significant amount to retain for the short-term auctions held within the gas year, as is withholding 10% of annual capacity until the 5th year preceding the relevant gas year. The current rules already allow

this allocation to be increased but do not allow it to be decreased. If any changes are to be made it should be to allow both options to be permitted subject to stakeholder consultation. The key driver for any amendment should be that the percentage determined facilitates cross border trade and promotes market efficiency.

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] <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)</small> <p style="text-align: center;"><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 a general principle, Interconnector supports the opportunity to “keep the shop open” and provide the market with more opportunities to purchase capacity products. This can promote market efficiency as shippers have more opportunities to react to changing market needs. It is important however that additional auctions or additional products are value added. We do not believe the CAM code should seek to define each and every additional product or runtime but a core/base set of standard auctions and auction timings. Inspiration should be taken from the commodity and trading market, where a range of products have been developed to meet market needs without the need for European cross border regulation rules. It would therefore be more prudent to allow TSOs, NRAs and Shippers to develop additional auctions or products at IPs as market needs evolve (without necessarily including prescriptive rules within CAM). Potential options like further Balance of Month or '7 days ahead' daily auctions would require further cost/benefit assessment.

We note the EFET functionality request for additional CAM flexibility recommended a voluntary approach. We believe such an approach is sensible across European IPs but essential at cross border IPs (applying

CAM) with third countries. IP connections with third countries are some of the largest supply routes into the EU. These points must ensure compatible arrangements with requirements within the third country beyond the jurisdiction of the European Union rules. This may mean proposals to increase CAM auctions/products/ and other rules are not aligned with arrangements outside the EU and risk creating a barrier to trade. Interconnector, as an example, has a UK IP at Bacton as and well as its EU IP at Zeebrugge. It must ensure arrangements at either side of the pipeline remain compatible and workable to continue the high levels of cross border trade. We therefore support a voluntary, not a mandatory approach at points with third countries.

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?

No comment.

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 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>	yes

23

* 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?

As a general principle, Interconnector supports the opportunity to “keep the shop open” and provide the market with more opportunities to purchase capacity products. This can promote market efficiency as shippers have more opportunities to react to changing market needs. It is important however that additional auctions or additional products are value added. We do not believe the CAM code should seek to define each and every additional product or runtime but a core/base set of standard auctions and auction timings. Inspiration should be taken from the commodity and trading market, where a range of products have been developed to meet market needs without the need for European cross border regulation rules. It would therefore be more prudent to allow TSOs, NRAs and Shippers to develop additional auctions or products at IPs as market needs evolve (without necessarily including prescriptive rules within CAM). Potential options like further Balance of Month or ‘7 days ahead’ daily auctions would require further cost/benefit assessment.

We note the EFET functionality request for additional CAM flexibility recommended a voluntary approach. We believe such an approach is sensible across European IPs but essential at cross border IPs (applying CAM) with third countries. IP connections with third countries are some of the largest supply routes into the EU. These points must ensure compatible arrangements with requirements within the third country beyond the jurisdiction of the European Union rules. This may mean proposals to increase CAM auctions/products/ and other rules are not aligned with arrangements outside the EU and risk creating a barrier to trade. Interconnector, as an example, has a UK IP at Bacton as well as its EU IP at Zeebrugge. It must ensure arrangements at either side of the pipeline remain compatible and workable to continue the high levels of

cross border trade. We therefore support a voluntary, not a mandatory approach at points with third countries.

Furthermore, noting it is capacity being made available, we do not believe “once proposed via UPA a product can no longer be proposed via ACA again” makes sense and would avoid additional prescriptive rules. Annual CAM products are offered for the upcoming 15 years and in all probability unlikely to sell out. So, some of the “the same” capacity will most likely be available for the next scheduled July Annual ACA auction.

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 style="color: green;">yes</p>

* 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?

As noted already, as a general principle, Interconnector supports the opportunity to “keep the shop open” and provide the market with more opportunities to purchase capacity products. This can promote market efficiency as shippers have more opportunities to react to changing market needs. It is important however that additional auctions or additional products are value added. We do not believe the CAM code should seek to define each and every additional product or runtime but a core/base set of standard auctions and auction timings. Inspiration should be taken from the commodity and trading market, where a range of products have been developed to meet market needs without the need for European cross border regulation. It would therefore be more prudent to allow TSOs, NRAs and Shippers to develop additional auctions or products at IPs as market needs evolve (without necessarily including prescriptive rules within

CAM). Potential options would require further cost/benefit assessment.

We note the EFET functionality request for additional CAM flexibility recommended a voluntary approach. We believe such an approach is sensible across European IPs but essential at cross border IPs (applying CAM) with third countries. IP connections with third countries are some of the largest supply routes into the EU. These points must ensure compatible arrangements with requirements within the third country beyond the jurisdiction of the European Union rules. This may mean proposals to increase CAM auctions/products/ and other rules are not aligned with arrangements outside the EU and risk creating a barrier to trade. Interconnector, as an example, has a UK IP at Bacton as well as its EU IP at Zeebrugge. It must ensure arrangements at either side of the pipeline remain compatible and workable to continue the high levels of cross border trade. We therefore support a voluntary, not a mandatory approach at points with third countries.

Article 13 – Rolling monthly 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>	<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

* 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?

As noted already, as a general principle, Interconnector supports the opportunity to “keep the shop open” and provide the market with more opportunities to purchase capacity products. This can promote market efficiency as shippers have more opportunities to react to changing market needs. It is important however that additional auctions or additional products are value added. We do not believe the CAM code should seek to define each and every additional product or runtime but a core/base set of standard auctions and

auction timings. Inspiration should be taken from the commodity and trading market, where a range of products have been developed to meet market needs without the need for European cross border regulation. It would therefore be more prudent to allow TSOs, NRAs and Shippers to develop additional auctions or products at IPs as market needs evolve (without necessarily including prescriptive rules within CAM). Potential options would require further cost/benefit assessment.

We note the EFET functionality request for additional CAM flexibility recommended a voluntary approach. We believe such an approach is sensible across European IPs but essential at cross border IPs (applying CAM) with third countries. IP connections with third countries are some of the largest supply routes into the EU. These points must ensure compatible arrangements with requirements within the third country beyond the jurisdiction of the European Union rules. This may mean proposals to increase CAM auctions/products/ and other rules are not aligned with arrangements outside the EU and risk creating a barrier to trade. Interconnector, as an example, has a UK IP at Bacton as well as its EU IP at Zeebrugge. It must ensure arrangements at either side of the pipeline remain compatible and workable to continue the high levels of cross border trade. We therefore support a voluntary, not a mandatory approach at points with third countries.

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] (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 19) 	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?

As noted already, as a general principle, Interconnector supports the opportunity to “keep the shop open” and provide the market with more opportunities to purchase capacity products. This can promote market efficiency as shippers have more opportunities to react to changing market needs. It is important however that additional auctions or additional products are value added. We do not believe the CAM code should seek to define each and every additional product or runtime but a core/base set of standard auctions and auction timings. Inspiration should be taken from the commodity and trading market, where a range of products have been developed to meet market needs without the need for European cross border regulation. It would therefore be more prudent to allow TSOs, NRAs and Shippers to develop additional auctions or products at IPs as market needs evolve (without necessarily including prescriptive rules within CAM). Potential options would require further cost/benefit assessment.

We note the EFET functionality request for additional CAM flexibility recommended a voluntary approach. We believe such an approach is sensible across European IPs but essential at cross border IPs (applying CAM) with third countries. IP connections with third countries are some of the largest supply routes into the EU. These points must ensure compatible arrangements with requirements within the third country beyond the jurisdiction of the European Union rules. This may mean proposals to increase CAM auctions/products/ and other rules are not aligned with arrangements outside the EU and risk creating a barrier to trade. Interconnector, as an example, has a UK IP at Bacton as and well as its EU IP at Zeebrugge. It must ensure arrangements at either side of the pipeline remain compatible and workable to continue the high levels of cross border trade. We therefore support a voluntary, not a mandatory approach at points with third countries.

Article 14 – Rolling day-ahead 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>	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 (cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 “Greater flexibility to book firm capacity at IPs” 2023, p. 18) 	yes

* 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?

As noted already, as a general principle, Interconnector supports the opportunity to “keep the shop open” and provide the market with more opportunities to purchase capacity products. This can promote market efficiency as shippers have more opportunities to react to changing market needs. It is important however that additional auctions or additional products are value added. We do not believe the CAM code should seek to define each and every additional product or runtime but a core/base set of standard auctions and auction timings. Inspiration should be taken from the commodity and trading market, where a range of products have been developed to meet market needs without the need for European cross border regulation. It would therefore be more prudent to allow TSOs, NRAs and Shippers to develop additional auctions or products at IPs as market needs evolve (without necessarily including prescriptive rules within CAM). Potential options would require further cost/benefit assessment.

We note the EFET functionality request for additional CAM flexibility recommended a voluntary approach. We believe such an approach is sensible across European IPs but essential at cross border IPs (applying CAM) with third countries. IP connections with third countries are some of the largest supply routes into the EU. These points must ensure compatible arrangements with requirements within the third country beyond the jurisdiction of the European Union rules. This may mean proposals to increase CAM auctions/products/ and other rules are not aligned with arrangements outside the EU and risk creating a barrier to trade. Interconnector, as an example, has a UK IP at Bacton as well as its EU IP at Zeebrugge. It must ensure arrangements at either side of the pipeline remain compatible and workable to continue the high levels of cross border trade. We therefore support a voluntary, not a mandatory approach at points with third countries.

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

* 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?

We believe an earlier closing time would mean that network users would know earlier whether they had succeeded in acquiring capacity and it also gives TSOs extra time to manage capacity and flow requirements. However, we would like to see market users views on whether they wish to see this change or whether the status quo is preferred. As noted earlier, for Interconnector as a point connected to a third country such an obligation would need to be made voluntary, as the change would also need to be compatible with UK arrangements at the UK Bacton IP (and any amendments to Bacton arrangements would be subject to relevant UK authority approval).

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 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

* 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?

As noted earlier, in principle Interconnector supports additional opportunities for market participants to purchase capacity products. As noted earlier we believe additional Y,Q,M auctions via this proposal could be permitted under a voluntary approach at cross border points with third countries to ensure compatible

arrangements with third countries. We believe an approach where the core standard products are harmonised (what we have now), but additional products/auction runtimes are permitted to be considered and assessed on their merits at IPs is the best approach to meet the markets evolving needs.

Article 17 – Ascending clock auction algorithm

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?

1) Adjust the large price-steps during the auction:

It is important for all parties to know what the "rules of the game" are before the auction commences. Amending price steps mid auction risks disrupting the auction. If such a proposal is to be considered as an option it would need to be clear to all parties exactly what the adjustment would be and under what circumstances it would happen before the auction commenced. This could then automatically happen in such circumstances so shippers know exactly what to expect. If this is not the case, such a proposal risks discriminating against shippers who leave or do not partake in an auction on the basis of the original price step, but may have stayed or taken part under the newly created auction conditions.

2) Provide a termination rule for ACA to allow for UPA to start:

We do not support the termination of a well-functioning auction and believe that once started, the initial ACA auctions should be allowed to run their course. The nature of the ACA auctions allow capacity to be allocated fairly and priced at the correct level depending on demand signals at the time of the Shipper entering the auction. The lack of certainty about whether an ACA auction will be concluded or not greatly

reduces transparency for shippers and creates risk given they are also assessing whether to take a position (including commodity transactions). This can therefore create market inefficiencies, discourage participation and increase administrative burdens for shippers. If there is a concern about potential manipulation - other instruments (REMIT, competition law) are already available to both deter and police bidding behaviour.

3) Pro rata allocation of capacity:

We do not consider this an optimal approach to adopt given shippers may end up with an allocation of capacity they did not wish for. A pro-rata approach goes against the principle of using auctions to allocate capacity. Furthermore, as noted above, if there are concerns about potential manipulation - other instruments (REMIT, competition law) are already available to both deter and police bidding behaviour.



CAM NC

Article 18 – Uniform-price auction algorithm

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

* 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?

No comment

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?

As noted earlier, TSOs already have an obligation to maximise the offer of capacity and Article 6 is already very clear, also requiring coordination. They already maximise bundled firm capacity under CAM. Each TSO must assess its network capabilities and scenarios to maximise the offer. It remains appropriate that each TSO calculates these quantities individually as the system/network operator of their network. This is combined to provide bundled quantities. It would be suboptimal if one TSO had more firm capacity available but could not offer this because an adjacent TSO did not have the same matching quantity for a firm bundle and both had to offer this as interruptible. Shippers may still desire purchasing firm on one side of the border and combine with an interruptible product. What is important is that there is transparent publication of the actual available capacity for market participants. If there are concerns about the capacity offered not being maximised this should be addressed as an implementation issue.

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>

34

* 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?

Unclear what problems are being addressed and why this cannot be addressed in implementation (noting approval of TSO access rules is required by NRAs).

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 <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) 	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?

Obligations within CAM are clear.

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?

No comment

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 comment

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?

No comment

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?

No comment

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?

No comment

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?

No comment

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?

No comment

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?

No comment

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?

No comment

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?

No comment

J CAM NC, Chapter VI

Interruptible capacity (Articles 32-36)

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"> “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
FUNC 01/2020 “Greater flexibility to book firm capacity at IPs” - Issue Solution and Issue Solutions Supporting Note	<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?

See answers to Q 21 and Q27

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?

No comment

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?

No comment

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?

No comment

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?

No comment

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?

No comment.

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?

It is important that CAM rules, as European legislation, are proportionate to what is necessary to facilitate cross border trade and market efficiency in a harmonised manner. These rules need to be clear and stable to ensure all market users and TSOs have confidence in the arrangements and capacity bookings are not discouraged (due to uncertainty about rules being amended). CAM rules should thus not be constantly changing as European legislation.

It is however appropriate to review the CAM rules periodically and ensure all stakeholders understand a clear and transparent process for when this review is conducted and the criteria and process to consider amendments. Actual amendments to CAM rules should remain through the current change process.

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?

No comment

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?

No comment

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?

No comment

M Other comments or suggestions

92 Do you have any other comments or suggestions?

It is important in considering amendments to the CAM code, that proposals seek to:

- address clearly identified problems and/or inconsistencies.
- propose value added changes which are assessed against whether the amendments will further facilitate cross border trade and improve market efficiency.
- enable enough adaptability to address evolving market needs without necessitating the need to amend European legislation which should remain relatively stable.

Article 2.1 (Scope):

As noted earlier, we believe an amendment is also necessary to Article 2.1 for legal clarity and to meet its original intent and scope. Article 2.1 states that “This Regulation shall apply to all interconnection points”. The scope of an IP was however broadened to include points with third countries by the fact that the definition of an “Interconnector” was amended with the update of the Gas Directive (EU) 2019/692 (amending Directive 2009/73/EC). The amended definition of an “Interconnector” in Article 2.17 of Directive (EU) 2019/692 was amended to include a transmission line between a Member State and a third country:

“ “interconnector” means a transmission line which crosses or spans a border between Member States for the purpose of connecting the national transmission system of those Member States or a transmission line between a Member State AND A THIRD COUNTRY UP TO THE TERRITORY OF THE MEMBER STATES OR THE TERRITORIAL SEA OF THAT MEMBER STATE;”

Consequently, Article 2.1 can be mistakenly interpreted to suggest IPs with an entry and exit point from and to a third country must be within scope of the Regulation. This is clearly not the original intent or purpose of the CAM rules since Article 2.1 explicitly states that the CAM rules may only apply to such IPs with entry and exit point from and to a third country, subject to a decision of the relevant NRA. This also remains appropriate noting that IPs with third countries also need to be able to ensure compatible and consistent arrangements with interconnections within those third countries beyond EU jurisdiction (e.g. Interconnector will need to ensure that arrangements are compatible with arrangements at the UK Bacton IP and any mandatory increase in auctions, products or other changes one side of the Interconnector need to work with arrangements on the other side of the pipeline to continue facilitating cross border trade). Therefore, Article 2.1 should be amended to ensure there is legal clarity that the application of the CAM rules to an IP with a third country, which is also an entry and exit point to a third country, continue to be subject to the decision of the relevant NRA.

Article 2.1 should be amended to: “This Regulation shall apply to interconnection points CONNECTING ADJACENT ENTRY-EXIT SYSTEMS OR CONNECTING AN ENTRY-EXIT SYSTEM WITH AN INTERCONNECTOR WHICH CROSSES OR SPANS A BORDER BETWEEN MEMBER STATES. It may also apply to entry points from and exit points to third countries, subject to the decision of the relevant national regulatory authority. This Regulation shall not apply to exit points to end consumers and distribution networks, entry points from ‘liquefied natural gas’ (LNG) terminals and production facilities, and entry points from or exit points to storage facilities.”

Noting some of the IPs with third countries are also key supply routes into Europe (e.g. significant imports of gas from LNG landing in the UK via the UK – Continental interconnectors), it is important that arrangements at these points can function and compete fairly with EU entry/exit arrangements from other key supply routes into/out of Europe. In this context, LNG entry points and upstream production entry points from third countries accounts for most EU supplies yet are explicitly out of scope of this regulation.

N Responses are published in full, save 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](#)