

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

Fields marked with * are mandatory.

A Introduction

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

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

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

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

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

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

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

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

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

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

B General information

1 Name and Surname:

2 Email

3 Company:

4 Country:

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

5 Please specify if other:

6 Business field:

- TSO
 DSO
 Shipper/trader
 Association
 Other

7 Please specify if other:

C Consultation documents

Download ACER's [Scoping document](#)

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

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

D CAM NC Preamble



CAM NC Preamble - point (x) (new)

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

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

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

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

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

We see no reason to change the preamble of the CAM NC with the proposed points, but we do have other points to propose.

1/ Concerning capacity maximization, dynamic calculation and coordination between operators : Our position is that we are already optimizing, in coordination with our adjacent operators, the capacities offered by Teréga, and that it is impossible to impose a single modeling/methodology. But for the sake of understanding by market players, we would benefit from clarifying the definitions of technical capacities in comparison to virtual capacities (backhaul or non-nominated capacity reoffered to the market).

a) regarding Firm capacity see our detailed answer linked to TRF offer in question 20/21 Article 6.

b) regarding Interruptible capacity : see our detailed answer in questions 14/15 Article 3 and 20/21 Article 6.

c) regarding Coordination : The CAM Code (Article 6) already requires the offer of bundled capacity to be maximized. Coordination with adjacent TSOs within the TRF and at Pirineos border is already in place. For example, at the end of 2022, in the context of war on Europe's doorstep, we offered additional Firm and Interruptible capacity by working with ENAGAS and we also still work on the development of an additional 20 GWh/d in the Spain ⇒ France direction.

d) regarding Transparency : As mentioned above, Teréga and GRTgaz publish information on available capacity and operations of the TRF and its limits. Network users expressed their satisfaction with the information published. We believe that the transparency already required by the CAM code is sufficient. All that is needed is to ensure that the current CAM code is properly implemented in all Member States.

In conclusion to point 1, we see no need to amend the CAM code on the points relating to capacity and cooperation mentioned above.

2/ About Clear recital or New article on CAM principles :

- Teréga's objective is to get more sales opportunities and greater adaptability to the market.

- With the end of long-term contracts and the need for security of supply and storage capacity, we believe that the CAM code should make it possible to respond to market needs and offer the possibility to book capacity whenever there are opportunities of commodity availability or arbitrage.

- From our point of view, the priority is therefore to offer capacity and, if possible, to harmonize offers.

- Teréga is in favor of the possibility of sandboxes or voluntary offers in order to test adaptability to the market, and we would like to see these possibilities added to the CAM NC. There are currently proposals to sell supply routes ("Super Bundle products" as grouped sales of capacity at several points corresponding to a route). We are in favor of the CAM code allowing this type of sale.

- We are not in favor of enshrining the principle of cascading as an immutable principle of the CAM code.

Why not reconsider it ? For example in certain offerings such as Implicit allocation it should still be possible to derogate from it in order to adapt to the commodity market and be of interest to the market.

- We are in favor of abolishing the set aside rule. See our answer to question 25 on Article 8.

- The principles for maximizing bundled offers are already defined in the existing code.
- The CAM NC rules must guarantee non-discriminatory access, promote cross-border trade and increase the liquidity of marketplaces in order to improve the economic efficiency of the European gas industry and security of supply, to the benefit of consumers. It's already in the core principles of CAM code.
- We believe that the CAM code should certainly promote the harmonization of offers, but above all it should not be rigid so as to allow rapid adaptation to market needs. Since the beginning of the "Greater Flexibility at IPs" func issue, we have been in favor of EFET's request for more booking opportunities, which is in line with our need to sell our capacity as TSOs. The process for improving the offer is far too slow to meet the needs of the market. A more rapid improvement process and a more flexible code are needed.

In conclusion to point 2, the changes we would like to see in the preamble part of the code are: "14a enhanced allocation opportunities" and "14b CAM shall be flexible and capable of adapting to evolving market circumstances" (this has been proposed by ENTSOG/ACER in response to the functionality issue "Greater Flexibility at IPs".)

Possibility of proposing new offers on an experimental basis

Possibility of proposing capacity routes corresponding to market and supply needs

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



CAM NC Article 1 – Subject matter

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

8

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

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

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

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

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



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>(CAM TF)</p> | yes |

9

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- Agree
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Teréga strongly disagrees with the idea of constraining implicit allocation offer that has proven to be a very successful tool in further facilitating cross-border trading and, moreover, is highly valued by the market. Teréga wants to offer implicit allocation as a complement to CAM auctions. Teréga's customers have all expressed their support for it.

- Regarding "Core principle of CAM", see our previous answer on point 2 question 9 about the CAM preamble

- In the scope of CAM's objectives (access, liquidity, economic efficiency, etc.), the marketing of bundled capacity via auctions is only a tool serving the above objectives and therefore not an objective in itself, which would de facto justify excluding more efficient methods of marketing capacity, such as Implicit Allocation, the implementation of which via TSOs such as BBL and IUK has proved to be more efficient than capacity auctions, whether bundled or not, and with their constrained timetable. It is therefore incomprehensible that

Implicit Allocation should be included among the elements of the CAM code to be improved without even proposing a prior assessment of the systems in place and their effectiveness.

- In the context of Implicit Allocation, Teréga would obviously prefer to offer bundled capacity with Enagas on a recognised marketplace such as EEX. However, if these players are not ready or willing to offer Implicit Allocation, Teréga claims the right to experiment with Implicit Allocation - in addition to auctions - to market capacity on maturities where auctions have proved largely unsuccessful (little or no capacity allocated) and for a limited volume.

- Wholesale market players are already ready to join us in this venture at no cost to network users. Implicitly allocating unbundled capacity to a commodity purchase/sale can only encourage shippers to buy the missing capacity from the adjacent operator. Thus, when the point is not commercially congested, this can in no way penalize the adjacent TSO.

- In the event of an economic downturn leading to sudden and strong demand for capacity marketed via the Implicitly allocating, Teréga has the ongoing option of taking back this capacity in less than 24 hours and offering it only via the CAM auctions without having to justify it.

- This marketing method, which complements CAM auctions, must therefore remain possible, as it does not harm the marketing of the adjacent TSO's products but, on the contrary, can only benefit it.

- Teréga is in favor of coordinated TSO studies when at least one of the TSOs wishes to implement the offer. Detailed and reasoned decisions by regulators are also required. That being said, it must be possible for this service to be introduced on one side only, unless the adjacent operator can demonstrate a real risk of commercial prejudice.

| 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

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

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

11

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

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

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

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

This question actually asks for an opinion on 3 different issues. And we have another proposal (point 4 below).

1/ Teréga "disagrees" with point 1 : See also our answer on question 9 - Preamble. On capacity definition, we think that only transparency and clarity for the market regarding interruptible offers could be improved.

Regarding Interruptible capacity, we offer two kinds of interruptible capacity :

- the “technical” interruptible capacity which is the physical capacity of the pipe under optimum conditions, minus the firm capacity offered. We offer this capacity on PRISMA.
- The “virtual” interruptible capacity which is the sum of the nominations on the backward flow and the non-nominated booked capacities. We offer it via overnomination. The calculation is made in both directions and the capacities offered in both directions. So under certain conditions, the commercial allocation can exceed the physical capacity of the pipe.

2/ Teréga "strongly agrees" with point 2 : This is a technical proposal part of ENTSOG solution for Greater Func Issue

3/ Teréga "strongly disagrees" with point 3 :

Teréga wishes to keep in CAM the current definition of Implicit Allocation (coupling of a capacity to a commodity). We are totally opposed to imposing a requirement that implicit allocation could only be offered with bundled capacity. see our response to question 13.

Moreover, changing the definition would be incomprehensible in the light of the satisfactory results obtained by BBL and IUK with their implementation of Implicit allocation even though the capacity offered is not bundled. this would be like imposing a change at the request of a TSO that does not propose this mechanism on TSOs and shippers that already use this mechanism, are satisfied with it and do not wish to change it, even though no assessment has been made of the effectiveness of the current system or the relevance of the proposed change.

Changing the definition, seems a non sense too, because it would mean that one TSO would not be allowed to offer implicit allocation in case only unbundled capacity is available.

The current definition allows Implicit allocation to be offered with or without bundled capacity. There is no reason why this flexibility should be withdrawn simply because of a negative prejudice, based on no figures, about this marketing method. The current definition must remain unchanged.

4/ Other : Teréga is in favor of a new définition proposed by Greater flexibility ENTSOG/ACER proposal : “‘additional auction’ means the auctions referred to in Article 16 used for the additional offer of yearly, quarterly, and monthly firm capacity products.

F CAM NC, Chapter II

Principles of cooperation (Articles 4-7)



CAM NC Article 4 – Coordination of maintenance

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

13

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

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

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

*

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

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



CAM NC

Article 5 – Standardisation of communication

| 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?

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

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

15

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

16

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

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

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

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The scope of this question covers several topics

1/ regarding the scope of technical capacity and dynamic calculations : see also part of our answer on question 9 - Preamble. to complete it regarding Firm capacity :

- Maximization is already part of Teréga's practices. We aim to offer the maximum amount of firm and interruptible capacity to the market.
- Teréga, mainly a transit operator, aims to sell its capacity to IP Pirineos.
- Since the creation of the TRF, the core network has been offering numerous flow scenarios. We therefore calculate the firm capacity available on the basis of the studies carried out on these flow scenarios and the TRF's operational limit conditions. As a result, we are already offering more firm capacity than is actually available. In fact, the capacity offered today is the "most likely flow" capacity. Firm capacity is managed at "superpoint" level (virtual limit bringing together several interconnection points - storage, LNG terminal, adjacent TSO IP - in the TRF, enabling shippers to arbitrate between different sources of supply).
- If we were only to offer guaranteed capacity for every possible flow, this firm capacity would be lower and users would lose arbitrage opportunities.
- We also offer mechanisms for overbooking and buying back capacity (OSBB) or buying back nominations (Locational Spread on superpoints).
- Our calculations and practices are regularly shared with our regulator and presented to network users. In addition, dynamic hourly calculations are carried out to calculate congestion vigilance in the TRF zone. Impacts at points upstream and downstream of congestion are managed using the superpoint mechanism (mutualising impacts by zone and not IP by IP). The capacity available at Pirineos is therefore aggregated with the capacity available at other points within the limits of the TRF. A display of capacity limited to Pirineos would not make sense.
- The harmonisation proposed to PIs must not hamper the availability of capacity and the efficient functioning of markets.

2/ regarding conditional capacity : Is there any point in adding a definition of conditional capacity? In our view, capacity is either firm (possibly associated with buy-back mechanisms) or interruptible.

3/ Regarding interruptible capacity, see also part of our answer on Q 9 - Preamble and Q 15 Article 3. With regard to bundling, our offer of interruptible capacity is linked to the management of the TRF zone and is uncorrelated with the calculations made by ENAGAS for their own interruptible capacity market. On ENAGAS side our "technical interruptible capacity" is offered as firm unbundled. We are not opposed in principle to the bundling of interruptible capacity, but it seems complex and pointless to us because it would potentially concern a very small amount of bundled mostly virtual capacity, which would remain at the margin of the quantities offered. In addition, the interruptible capacities are not interrupted at the same time or for the same reasons on both sides of the IP and would require the implementation of complex management rules because of the bundled sale.

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

17

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

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

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

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

Proven to be fit for purpose solutions.

G CAM NC, Chapter III

Allocation of firm capacity products (Articles 8-18)

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

19

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

20

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

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 Agree
 Neutral
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1) Regarding the set-aside rule : Teréga is in favor of abolishing the set aside rule.

This rule was adapted in the past to favor access to the market for new shippers while the historical shippers held a majority of the capacity via long-term contracts.

These conditions no longer exist, and shippers are now on an equal footing when it comes to reserving long-term or short-term capacity.

There is no point in maintaining a set-aside rule to the detriment of the supply of capacity, whatever the type of product, when it makes economic sense for customers (anticipation, coupling with the commodity to secure supply);

Set-aside rules only aggravate the situation by holding back the supply of capacity on the market, with the harmful consequences that this could imply (sub-optimal allocation of capacity and potentially biased auctions leading to false commercial congestion and inaccurate auction prices).

There is no problem with the sale of short-term products (Monthly, BoM, DA/WD) being zero.

Interruptible capacity based on backhaul or sub-nomination is always possible.

CMP mechanisms are also always available if necessary.

2) Reallocation of capacities from IP to DEP:

The French system based on the TRF and its management allows TSOs and the NRA to NOT reallocate capacity from IP to Domestic Exit Points but rather find commercial tools to manage gas flows within the TRF without damaging the availability of capacity at IPs and the underlying flexibility and security of supply provided. To that regard, Teréga strongly opposes to the destruction of Entry/Exit capacity at an IP to the benefit of its domestic network, not to mention the potential mismatch in capacity offered on both sides of an IP when capacity initially offered was coordinated between TSOs on different European Countries, though a risk of stranded assets by the adjacent TSOs whose capacity is not reallocated its Entry/Exit capacity to its domestic market. This issue is totally relevant within the CAM NC as, by reallocation capacity from IP to DEP, a TSO/NRA is de facto limiting capacity offered on the IP and therefore cross border gas trades.

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

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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?

Teréga wants to offer commodity-related products such as BoM, which is in high demand among our customers. Teréga has already studied the sale of BoM via Implicit Allocation.

Teréga is in favor of creating a new BoM product but is also very much in favor of the solution proposed by ENTSOG not to create a new product but to sell in a single "BoM auction". This "BoM auction" would consist of putting a quantity up for sale over the remaining period of the month. This single auction {period D+2 - end of month; quantity per day} would then after successful auction, be contracted in the form of several DA products. This solution has the advantage of not impacting the tariff code. Article 9 of the CAM would not be affected either.

| 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?

Nothing to be changed

| 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 |

- * 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?

Teréga is in favor of ENTSOG/ACER proposals to the "greater flexibility issue" but we would like to go further quickly on this flexibility offer, and consequently we also disagree on some points, see the following explanations.

Teréga is very much in favor of improving the possibilities for selling all types of capacity on the market as demanded by the market. The fact that TSOs continuously offer products to the market allows shippers to acquire their supply route based on commodity offers and to adapt to changes.

With the end of long-term contracts, capacity is once again available for sale over the long term, which can be beneficial to security of supply.

Teréga is in favor of ENTSOG's proposals to add UPAs on Y+1, but would like to go further and encourage the sale of long-term products.

To this end, we would like to propose for sale the future gas years (Y+2...) Yearly products several times during the ENTSOG yearly calendar to enable users to match their transmission capacity with their subscriptions and storage needs as well as their commodities.

These capacity sales could even be offered as annual or quarterly products, to better match market needs.

Teréga wants to be able to offer additional auctions every day, not just on Thursdays. We are therefore in favor of flexibility on this point if the start-up only takes place on Thursdays.

Teréga does not agree with the addition of the principle of "no ACA after a UPA for the same product".

Auctions for the same product are launched on different dates so prices can differ without disrupting the market. Adopting this new rule, which has no specific purpose, limits the possibilities for putting products up for sale. For example, for gas year +2 it could be possible to offer UPAs in July/August following the July ACA. Then again later (October for example) another ACA could be proposed followed by UPAs, idem in January and April, then again in July (this is an example).

In the case of Yearly auctions, Teréga is not in favor of forcing the end of an ACA in favor of a UPA. The products are quite distant from the auction. In the case of an Yearly auction that is too long, voluntary adjustment of the price step during the auction seems to us to be more appropriate.

See also our answers on questions 44 to 47 on Article 17 ACA and Article 18 UPA.

Article 12 – Annual quarterly capacity auctions

| Policy paper reference | Nature of proposal in the policy paper | Area of improvement |
|---|--|---------------------|
| <u>FUNC 01/2020 "Greater flexibility to book firm capacity at IPs" - Issue Solution and Issue Solutions Supporting Note</u> | <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> | yes |

* 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?

Teréga is in favor of ENTSOG/ACER proposals to the "greater flexibility issue" but we would like to go further quickly on this flexibility offer, and consequently we also disagree on some points, see the following explanations.

Teréga is very much in favor of improving the possibilities for selling all types of capacity on the market as demanded by the market. The fact that TSOs continuously offer products to the market allows shippers to acquire their supply route based on commodity offers and to adapt to changes.

We would like it to be possible to sell Quarterly capacities continuously over the current year (as long as the monthly product of a quarter is not yet on sale) and over the future year (Y+2) to enable users to link their

transmission capacities with their subscriptions and storage needs as well as their purchases of commodities. Teréga wants to be able to offer additional auctions every day, not just on Thursdays. We are therefore in favor of flexibility on this point if the start-up only takes place on Thursdays.

Teréga does not agree with the addition of the principle of "no ACA after a UPA for the same product". Auctions for the same product are launched on different dates so prices can differ without disrupting the market. Adopting this new rule, which has no specific purpose, limits the possibilities for putting products up for sale. Terega would like to offer all the remaining quarters via the additional UPAs and not only the following quarter.

Teréga is also in favor of limiting the number of ACAs to a minimum to allow more sales windows in UPAs for all quarters of the year. Teréga has even proposed replacing ACAs by UPAs for quarterly and monthly products.

In the case of Quarterly auctions, Teréga is not in favor of forcing the end of an ACA in favor of a UPA. The products are quite distant from the auction. In the case of an Quarterly auction that is too long, voluntary adjustment of the price step during the auction seems to us to be more appropriate

See also our answers on questions 44 to 47 on Article 17 ACA and Article 18 UPA.

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 |

25

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

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

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

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

Teréga is in favor of ENTSOG/ACER proposals to the "greater flexibility issue" but we would like to go further quickly on this flexibility offer, and consequently we also disagree on some points, see the following

explanations.

Teréga is very much in favor of improving the possibilities for selling all types of capacity on the market as demanded by the market. The fact that TSOs continuously offer products to the market allows shippers to acquire their supply route based on commodity offers and to adapt to changes.

Teréga would like to be able to sell Monthly capacity every day for the 3 months of the quarter (not only on Thursdays and not only the following month).

Teréga is in favor of limiting the number of ACAs to a minimum to allow more sales windows in UPAs. We would like to sell Monthly products directly via UPA every day because it's more efficient in terms of allocation and time spent.

We are in favor of flexibility in the CAM code on these points:

- being able to increase the number of auctions offered,
- being able to offer products in advance,
- being able to use the UPA algorithm rather than ACA.
- The code should also allow for pilot projects.

Teréga does not agree with the addition of the principle of "no ACA after a UPA for the same product". Auctions for the same product are launched on different dates so prices can differ without disrupting the market. Adopting this new rule, which has no specific purpose, limits the possibilities for putting products up for sale. For example: regarding Monthly products, sales via ACAs are currently discussed in 2 proposals : 4 ACAs followed each by several UPAs for the 3 months of the quarter. or 12 ACAs followed each by one UPA for only the following month, and this is linked to this new rule. If ACA auction is to be maintained for Monthly products, Terega would like to minimize the number of ACA, and offer all the remaining months of the quarter via the additional UPAs and not only the following month.

In the case of Monthly auctions, Teréga is not in favor of forcing the end of an ACA in favor of a UPA because replacing ACA via UPA seems directly more appropriate for this type of auction.

See also our answers on questions 44 to 47 on Article 17 ACA and Article 18 UPA.

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

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

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

- Strongly agree
- Agree
-

- Neutral
- Disagree
- Strongly disagree

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

see our answer on question 27 Article 9.

Teréga wishes to be able to put the BoM up for sale every day offered via UPA auctions.

The first day of sale of the BoM for a given month could be after the end of the last auction of the Monthly product for that month and two days before the beginning of the month. The first BoM could therefore contain all the days of the month, but such an auction would not compete with the Monthly product whose auction ends earlier and whose price is lower.

The BoM would not cover D+1 so as not to compete with the DA auction.

Teréga's customers are very favorable to this product.

Teréga does not see the interest of the alternative 7DA auction proposed by ACER/ENTSOG to BoM, but leaves it to the market to decide.

Note that BoM offered quantity will be the same for all remaining days of the month and the situation of maintenance days during the month has to be tackled.

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?

Teréga does not see the point of the 7DA auction (the alternative proposed by ACER/ENTSOG to the BoM), but leaves it to the market to decide. The BoM seems to us to be better adapted to the needs of the market. Moreover, because Teréga's customers request it, Teréga is very much in favor of changing the time of the DA auction to the morning in order to facilitate trading opportunities on the commodities market. Teréga is therefore also very much in favor of the proposed flexibility in auction times.

| 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) <small>(cf. Annex 1 – Issue Solution Supporting Note Evaluation of FUNC Issue 01/2020 "Greater flexibility to book firm capacity at IPs" 2023, p. 24)</small> | <p>yes</p> |

* 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?

Teréga is very much in favor of this market demand, which provides customers and TSOs with better operational management of flows and balancing.

| 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 |

29

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

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

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

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

Teréga is in favor of the proposal to add additional auctions in the form of UPAs and to limit the number of ACAs to the minimum deemed necessary by the market for price discovery.

Teréga is in favor of offering monthly products directly via daily UPAs (elimination of monthly ACAs).

We are also in favor of offering auctions every day.

Teréga is in favor of modifying the way publications are managed. Publications of the first ACA of a product would be unchanged, but the publication of the next auction of the same product or of the shorter-term product would take place immediately at the end of an auction, without the need for a publication schedule. We believe that the market is sufficiently open for market players to be able to meet each other at frequent auctions.

Teréga does not agree with the addition of the principle of "no ACA after a UPA for the same product".

Auctions for the same product are launched on different dates so prices can differ without disrupting the market. Adopting this new rule, which has no specific purpose, limits the possibilities for putting products up for sale.

Auction types (ACA or UPA) and auction times must be easy to change using the CAM code flexibility process proposed by ACER/ENTSOG.

| 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?

Teréga had already had to deal with excessively long and unsuccessful ACA auctions before the 2022 situation.

1/ Teréga's preferred solution for this issue is therefore replacing the ACA with the UPA for monthly or even quarterly auctions, which seems to us to be the most appropriate solution. We understood that the market wanted to keep ACAs for price discovery purposes (at least for quarterly auctions ?).

2/ Keeping ACAs, Teréga is in favor of the possibility of changing the price step during the ACA auction, which would make it possible to quickly resolve the problem of an auction that is too long. We support the ACER/ENTSOG proposal: "Price steps may be modified during the auction process (at the maximum once per day), in coordination with adjacent TSOs. The changed price steps shall be made public before the start of the relevant auction round". This option should only be used rarely, as the TSOs agree on the appropriate price steps before the auction starts, but is needed in case market conditions change.

3/ We are not in favor of forced ACA interruptions insofar as adapting price steps is possible and more appropriate for the market. In any case, if such a measure is adopted, it should be considered on a case-by-case basis.

a) In the case of annual or quarterly auctions of products dates far from the auction, there is sufficient time to modify the price steps.

b) In the case of monthly auctions, a stop could be considered, but we think that the UPA launched directly

in place of the ACA is more interesting.

In the event that the adjustment of price steps cannot be carried out, or would not be sufficient to complete an ACA, rather than leaving the auction unsuccessful while waiting for the next product, and rather than interrupting it for a UPA on which shippers would potentially not reposition themselves, we would prefer a prorata solution to be studied rather than moving on to the next product.

Article 18 – Uniform-price auction algorithm

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

31

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

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

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

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

Teréga is opposed to any proposed changes to the UPA's algorithm and starting price.

- The clearing price allocation algorithm is currently well functioning for the market.

- In any event, the UPA that follows an ACA, whether terminated normally or interrupted, must begin at the tariff price and not at a price derived from the last round of the previous ACA.

Teréga's point of view is that we don't see the benefit for TSO nor for the market to begin the UPA with a (high) price that would be equal to the previous auction's last price for the same product.

From our TSO point of view there would be no advantage to propose a too high price for selling the remaining capacity (our objective is to sell the remaining capacity).

Regarding the market participant, we assume that Market participants know their needs and the price they can afford or have to bid. We think that they can have the price idea knowing the market better than TSOs and having knowledge of last prices and bids.

If the market conditions have not changed, and if Market Participants still want capacity when the UPA is

triggered, then they will put bids in accordance to the last known price and potentially higher. If they bid a lower price there is the risk for them to get no capacity. We don't see any possible market manipulation as the UPA is a single round with the final price being the clearing price for all.

If the market conditions have changed, the TSO unsold capacity could meet no demand at a too high fixed price.

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?

With regard to the question about bundling capacities, as previously answered, we already maximize the capacities offered and offer them maximized in a bundled way with our adjacent operator.

We see no need to modify the existing code already covering the situation.

Concerning the question on the implementation of VIPs, we believe that the CAM NC should state that the sum of technical capacity of all IPs contributing to the VIP should create a single VIP and that all existing contracts for capacity at IPs contributing to the VIP shall be transferred to the VIP.

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

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

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

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

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

| 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?

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

I CAM NC, Chapter V

Incremental capacity process (Articles 22-31)

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

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

37

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

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

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

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

We are in favor of a simplification of the process to be discussed with ENTSOG.
There should be some voluntary mechanism left in the CAM NC for TSOs giving a general framework for the possible procedure of creating incremental capacity. ENTSOG believes that incremental process, if made voluntary and simpler, would be a good mechanism as it also allows the market to express its demand.
Other general proposals:
- improvements that would result in a more flexible process, responsive to evolving or local circumstances.
- It should be clearly stated that INC process is possible within one year.
- If binding phase ends with positive economic test the investment shall be automatically included in National Ten Year Development Plan and taken into consideration in tariff process

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

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

38

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

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

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

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

We are in favor of a simplification of the process to be discussed with ENTSOG.

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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

| 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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

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

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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

| 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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

| 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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

| 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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

| 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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

| 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?

We are in favor of a simplification of the process to be discussed with ENTSOG.

J CAM NC, Chapter VI

Interruptible capacity (Articles 32-36)

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

Here 2 questions :

1/ regarding the maximizing and bundling of interruptible capacity we strongly disagree : see our answers on question 9, 15 and 21

2/ With regard to the sale of interruptible capacity, we are very much in favor of greater flexibility and adaptation to a more flexible firm auction calendar:

- In France, interruptible auctions can be proposed for sale as soon as 98% of firm capacity has been sold out, and this works well.
- We believe that interruptible auctions should not be published according to a predefined timetable but immediately after the end of the auction triggering the condition for putting them up for sale (98% of firm capacity sold for example). (See also the answer to question 43 regarding firm auctions on Article 16).
- It should be possible to put interruptible products up for sale on each auction day as soon as the conditions are met.
- We are in favor of selling interruptible products directly via UPA. (assuming that the price discovery is linked to the price of the corresponding firm product).
- Examples of offers for sale wished by Teréga :
 - a) If an auction for a firm quarterly product ends with 98% of capacity sold, immediately after the auction, the interruptible quarterly product can be offered. Then, when the firm monthly auctions of the 3 months corresponding to the period of the quarter in question and to the remaining firm quantity are launched, the interruptible monthly auctions of these 3 months must be able to be launched at the same time. There is no

competition between these auctions;

b) If a monthly UPA auction ends with 98% of firm capacity sold, the UPAs of the following auctions (for same product and remaining quantity) can be launched at the same time (on the same day) to offer both the 2% firm and the interruptible quantity.

| 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?

-

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?

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?

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

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

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

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

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

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?

-

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?

Teréga is very much in favor of creating a fast-track process so that it can adapt the implementation of the CAM code to market situations without modifying the code itself. The slowness of the current review process is not appropriate.

Teréga is very much in favor of the ACER/ENTSOG proposal to be able to apply a consultation and decision process in less than a year. This would concern targeted points in the CAM code and would be triggered at the request of any market stakeholder. It would make it possible to modify the points concerned by publishing a decision, which would be applied in the ENTSOG auction calendar.

It could thus be possible to change the time of the daily auctions, for example, or to switch from weekly to daily auctions without changing the code.

As stated in the other responses, Teréga would also like to be able to experiment offers and changes.

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

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

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

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

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

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

58

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

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

59

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

M Other comments or suggestions

92 Do you have any other comments or suggestions?

As rightfully pointed out during the ACER workshop by the EFET, the CAM NC is no more than an annex to the EU gas regulation and its aim is to support the well functioning of the wholesale gas market, in the best interest of European consumers.

Therefore, the CAM NC must support the flow of gas between European marketplaces by maximizing the use of TSOs' capacity. Maximizing the offer of capacity and, whenever possible, of bundled capacity is definitely one (default) way of doing so (and Teréga already does it with Enagas through PRISMA, overnomination and other CMP tools) but it is not the only one.

Accessing the capacity to secure a gas deal is key. Indeed, the need for flexibility in the network usage is increasing due to geopolitical context, the multi-energy market and the end of long-term contracts releasing a lot of capacity on European IPs. Our infrastructures (network and storage) provides flexibility to the system along with security of supply. Therefore, we need to allow network users to buy and use capacity when supporting a gas trade, as it is the trade of commodity that triggers the need for capacity (not the other way around). Consequently, for the future CAM NC, flexibility and adaptability must be the key goal.

The auctions calendar and its rigidity are not fit for purpose. Indeed, if the auction system works well to allocate scarce capacity on an IP when demand exceeds offer (because it means that the spread between the two market places is persistent and the commercial opportunity is sufficient to trigger interest among market players) BUT it is not the case when there is plenty of available capacity at an IP and no spread between the marketplaces it connects. In this last case, TSOs objective is to provide flexibility when needed to market players and, therefore, need to allow them to buy their capacity whenever it is relevant to do so, i. e. when two market players want to secure a gas trade (whether bilaterally, via a broker or an exchange) and not just when there is an on-going CAM auction with the right duration allowing them to.

To that respect, Teréga requests that the code :

- keeps possible to experiment new opportunities (via sand-boxes designed to test new ways to sell TSOs products),
- provides flexibility for later adjustments
- does not add constraints such as hardcore principles like cascading or imposing bundled capacity to implement the Implicit Allocation mechanism.

Teréga sees no need to change the CAM NC on the definition of capacities, the necessity to maximize capacity offered or the bundling of capacity.

Teréga also sees the Implicit Allocation method as one very promising mechanism currently available that should remain as is in the CAM NC allowing any TSO to propose it after coordination with adjacent TSOs and regulators (if they too want to offer the implicit allocation service) or consultation (if they don't want to be a part of it).

Last, Teréga agrees with the greater flexibility proposals by ENTSOG/ACER but wants to go further and faster to offer daily auctions for all products when shippers need them.

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](#)