GAS Network Codes Functionality Platform

REPORTED ISSUE ID: 07/2018. Capacity booking issues regarding timing and comparability of day-ahead auctions

Reported by: Gazprom Marketing and Trading
Status: SOLVED

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ISSUE DETAILS

ABSTRACT

The short 30-minute time window for the day-ahead (DAH) auction does not always allow for issues to be solved by the end of the auction window.

As a result the DAH auction fails which leads to market participants not being able to balance their positions and the next opportunity to buy a full 24 hour product is the next within-day (WID) capacity auction. However, the WID products are not always like-for-like DAH products.

Category: European

REPORTED ISSUE

GM&T is of the view that when the DAH auction fails the capacity purchasing process takes too long to be concluded. In fact, this process starts at 7:00 PM and ends at 2:30 AM (CET).

GM&T believes that there is sufficient time to hold further DAH auctions if the initial DAH auction fails due to unforeseen circumstances.

Generally, the WID auctions are seen as a like-for-like for DAH auctions. Unfortunately, not all the products offered on a DAH basis are offered as part of WID products (e.g. interruptible and some other products). The market liquidity question also has to be considered, when comparing DAH and WID products. Particularly, if a position has to be balanced during the night when market participants might not have the operational capability to take any action.

GM&T believes that remedies to this issue might be also:

• using the "First Come First Served" (FCFS) principle which is a more efficient solution in some situations where there is no congestion and the DAH auction fails. Any concerns related to capacity hoarding can be countered with "Short Term Use It or Lose It" (STUIOLI). TSOs could also offer over-subscription and buy-back, which can be more efficient than STUIOLI.

• or the implementation of WID over-nomination of capacity. This option could be offered as a fall-back solution of a failed DAH auction.

CONCERNED ENTITIES

Network Code / Guidelines concerned:

Network Code on Capacity Allocation Mechanisms, Commission Regulation (EU) 2017/459

Member State(s) concerned:

- Austria
- Belgium
- Czech Republic
- France
- Germany
- Italy

- Netherlands
- United Kingdom

IP(s) concerned:

None selected

NOTIFIED PARTIES

Informed NRA(s):

None selected

Informed TSO(s):

None selected

SUGGESTED ACTIONS

Who should act:

- ACER
- ENTSOG
- INVOLVED_NRAS
- INVOLVED_TSOS

Suggested solution or action:

- Adjustment of implementation

SOLUTION

ACER and ENTSOG developed with the help of the TSOs a clear structured table with parameters to describe the fallback-process and responsibilities in case of an auction failure for each TSO.

The template with the fallback-processes of every TSO has been published on ENTSOGs website. Furthermore, the overview of the fall-back processes will be made available on the respective booking platform where the TSO is active.

Solution publication date: 2019-01-10

DOCUMENTS

SOLUTION - Issue Solution Note

Gas Network Codes Functionality Process
Issue Solution

Issue details	
Number:	520-18-03-21-1120
Name:	Capacity booking issues regarding timing and comparability of day-ahead auctions
Reporting party:	Gazprom Marketing and Trading
Network Code / Guidelines concerned:	Network Code on Capacity Allocation Mechanisms, Commission Regulation (EU) 2017/459
Article of the Network Code / Guidelines	n/a
Category:	European issue
Abstract:	
The short 30-minute time window for the day-ahead (DAH) auction does not always allow for issues to be solved by the end of the auction window. As a result, the DAH auction fails which leads to market participants not being able to balance their positions and the next opportunity to buy a full 24-hour product is the next within-day (WID) capacity auction. However, the WID products are not always like-for-like DAH products.	

Issue solution(s)	
Publication date:	10 January 2019
ACER and ENTSOG acknowledged the issue as valid and developed with the help of the TSOs a clear structured table with parameters to describe the fallback-process and responsibilities in case of an auction failure for each TSO. The template with the fallback-processes of every TSO has been published on ENTSOGs website. Furthermore, the overview of the fall-back processes will be made available on the respective booking platform where the TSO is active. The template can be accessed here.	