



Implementing CMP rules – how to get it right?

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CMP State of Play – Overview

- Implementation since 1 October 2013
 - National CMP measures by NRAs and TSOs
 - ENTSOG transparency platform
 - 1st ACER Congestion report
 - Differences in interpretation and corresponding implementation
 - Contractual congestion remains an important concern that needs to be addressed effectively
- EC developing CMP Interpretative note to provide clarity on complex issues related to implementation*



CMP IN to be published in the spring

- Note structured along the specific CMP measures set out in the Guidelines
- Foreseen timing for adoption/publication is late spring

Note: Presentation covers draft Interpretative Note on CMP before formal Commission-internal consultation!





Oversubscription and Buy-back (1)

- Should be implemented by all TSOs, albeit level of complexity will clearly differ in line with booking levels
- TSOs to offer additional firm capacity
 - But NOT at the expense of technical capacity
 - And be appropriately incentivized to do so
 - Products offered may be shorter at outset but in any event to be coordinated across the IPs
- FDA UIOLI to be considered upfront if OS&BB too risky and therefore not effective





Oversubscription and Buy-back (2)

- Buy-back procedure should be market-based
 - At least financially firm
 - No differentiation between products from „technical“ or „additional“ capacity
 - Buy-back only to be launched as last resort – TSO to check alternative/more cost-efficient technical/commercial measures
 - Possibility for price cap equaling spread between hubs – to avoid manipulation
 - Pro rata only to be applied if
 - Cap is applied / No offers made to TSO / No liquid markets
 - If buy-back launched, no upward re-nomination



Firm day-ahead Use-it-or-lose-it

- Ideally mechanism on two sides of IP should be the same
- Compatibility issues (especially with bundled capacity) due to lesser rule of OS&BB and FDA UIOLI on 2 sides of an IP:
 - Backhaul capacity on FDA UIOLI side cannot be offered as firm OR
 - Restriction of re-nomination on of 10% on OS&BB side
- „Protocol“ to address compatibility issues due to lesser rule of OS&BB and FDA UIOLI on two sides of an IP
 - If FDA UIOLI conditions have been fulfilled in past 3 years or FDA UIOLI is implemented on basis of test being fulfilled – FDA UIOLI prevails
 - Otherwise OS&BB prevails





Capacity surrender

- CMP measure in addition to secondary market as way to hand back capacity
- Neutrality of network user in surrendering – should not profit from surrender
- In case of surrendered bundled products TSOs should offer bundled capacity and if there is demand, reallocate in bundled form (no unbundling)





Long-term Use-it-or-lose-it

- Possibility of both NRA's requiring TSOs and autonomous responsibility of TSO to withdraw capacity
- In any event, continuous monitoring is essential to be able to react and make measure effective
- Network users not to benefit from LT UIOLI (during reallocation of hoarded capacity) so should at best be neutral
- Specific practices on the basis of wording of CMP Guidelines may be implemented by NRAs/TSOs with the aim of developing best practices





Thank you for your attention!



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