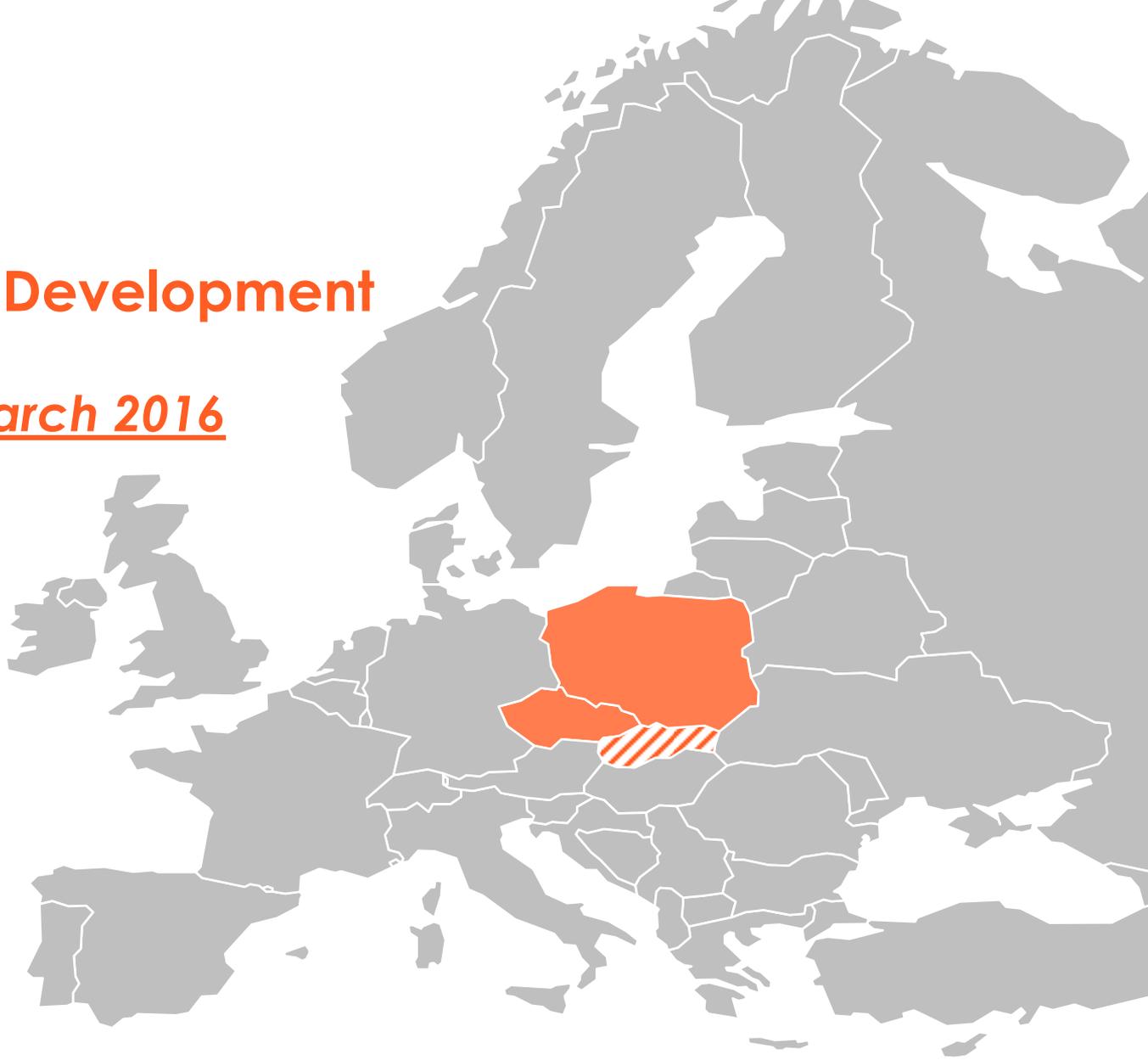


# GSA Platform Summary of the Development

– status as of 11 March 2016



March 11

## Legal background for capacity platforms

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- EU regulatory framework designed to complete an internal market and foster competition:
  - III energy package
    - Directive 2009/73
    - Regulation 715/2009
    - Network Codes, including CAM NC

Article 27 of CAM NC:

*1. Transmission system operators shall apply this Regulation by offering capacity by means of one or a limited number of **joint web-based booking platforms**. Transmission system operators can operate these **platforms** themselves or via an **agreed party** that, where necessary, acts on behalf of them towards the network users(...)."*

- Other legal acts, including i. a. TENE Regulation
- GAZ-SYSTEM goal is to provide:
  - An effective and efficient solution allowing to **implement** the provisions of the **European Network Code on Capacity Allocation Mechanisms** (NC CAM), adopted by the Commission Regulation (EU) No. 984/2013 of 14 October 2013 and addressing the expectations of the market.
  - high quality services that will satisfy both the Transmission System Operators and their Shippers.

## GSA platform – key figures (status as of 11 March 2016)

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- ▶ 3 TSOs on permanent basis
- ▶ Pilot projects 2 TSOs: CZ TSO: Net4Gas and SK TSO: Eustream



- ▶ 53 – Shippers
- ▶ 161 – Platform users
- ▶ Over 33 728 – successfully conducted auctions (including bundled and unbundled capacities)
- ▶ 24.0 – a record number of auction rounds (duration of auction: 8 calendar days)
- ▶ 17 – largest number of Shippers taking part in single auction
- ▶ 77 067 713 kWh/h – **allocated** capacity on GSA in Y, Q, M products including auctions for Net4Gas and Eustream
- ▶ 110 428 799 kWh/h – **allocated** capacity on GSA in DA and ID products including auctions for Net4Gas and Eustream
- ▶ 1 357 197 905 kWh/h – **offered** capacity on GSA in Y, Q, M products including auctions for Net4Gas and Eustream
- ▶ 6 259 774 417 kWh/h – **offered** capacity on GSA in DA and ID products including auctions for Net4Gas and Eustream
- ▶ Auctions types: Ascending clock, Uniform Price
- ▶ Products: firm, interruptible, conditional, FZK, BZK, DZK (adding a new types of capacity to fulfill TSO's needs - under development new possibility of adding a new cap. types by TSO)
- ▶ Currencies: EUR, PLN, CZK, HUF (other currencies possible upon request)

## GSA platform – key dates

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- 9 May 2011 GAZ-SYSTEM S.A. has launched its new customer service, the Information Exchange System (IES), auction module was added in 2013
- Feb 2014 Internal decision to implement the new capacity auction platform – GSA
- 27 May 2014 GAZ-SYSTEM S.A. presented its capacity auction platform during the 16th meeting of the GAS REGIONAL INITIATIVE – SOUTH SOUTH-EAST
- 12 Jul 2014 GAZ-SYSTEM S.A. and NET4GAS agreed to launch a pilot project regarding the bundled capacity of IP Cieszyn
- 15 Jul 2014 GSA Workshop with Shippers held in Warsaw
- 21 Jul 2014 Stage I implemented - first auctions of the monthly products on GSA
- 1 Jan 2015 Stage II implemented

## GSA platform – key dates

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19 Jan 2015 Discussion with German TSOs, BNETZA and URE

... Pilot project/s ongoing with N4G and EUSTREAM. Discussion with UTG

2015 - ... Cooperation with the other Platforms, discussions with ACER, NRAs and EC

Oct 2015 Agreement between the GSA and NET4GAS

1 Nov 2015 CAM NC in force – GSA obtained full CAM compliance

2015 - ... Discussions with EUSTREAM concerning the GSA

2015 - ... Discussions with German TSOs – GASCADE and ONTRAS concerning the GSA

Nov 2015 Cooperation Agreement between the GSA and UkrTransGaz

# GSA functionalities (status as of Jul 10 2015)

## Formal requirements compliant

## User friendliness function

| Sub-category | Item  | Y/N             | Sub-category | Item  | Y/N                 |
|--------------|---|-----------------|--------------|---|---------------------|
| Legal Cam    | Allocation of firm capacity                           | Y               | Non-formal   | Bundling of capacity in 1-n situations (move as sub-point to bundling ?)            | Y, currently max. 3 |
|              | Allocation of interruptible capacity                  | Y               |              | Multi-currency booking  | Y                   |
|              | Bundling of capacity products                         | Y               |              | Surrender of capacity   | Y                   |
|              | Ascending clock auctions (yearly, quarterly, monthly) | Y               |              | Buyback of capacity   | Y                   |
|              | Uniform price auctions (day-ahead, within-day)        | Y               |              | REMIT obligations   | To be discussed     |
|              | Day-ahead bid roll over                               | Y               |              | Offer of competing capacity products (move as sub-point to bundling ?)              | Y                   |
|              | Support of kWh/h and kWh/d as capacity unit           | Y, (m3)         |              | Capacity conversion (interruptible to firm)   | Y                   |
|              | Secondary capacity trading                            | Y               |              | Credit limit check  | Y, also online      |
|              | Shipper automated communication (bidding)             | Y               |              | Cost reflective fees  | Y                   |
|              | Reporting of platform transactions                    | Y               |              | Cost transparency for TSOs  | Y                   |
| Enabling IT  | Authorisation level management                        | Y               | Enabling IT  | Continuing development, guaranteed according to EU and national regulations (added) | Y                   |
|              | Network point display and administration              | Y               |              | Shipper and user registration on the platform                                       | Y                   |
|              | Secure platform access for network users              | Y               |              | Graphical user interface of the platform  | Y                   |
|              | Peak service load                                     | Y               |              | Options for connection to the platform  | Y                   |
|              | (Financial) insurances taken up to cover disruptions  | To be discussed |              | TSO and shipper automated communication (see Legal Cam requirement)                 | Y                   |
|              | Data backup and security                              | Y               |              |   |                     |

# Quality assurance and certificates

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## **CERTUM certificate for the GSA:**

- ▶ GSA holds CERTUM certificate available here at the following: <https://cservices.certum.pl/muc-customer/partner/customerCertificate/view?themeld=default&linkId=ulh2OK%2By%2FfF%2BOBk7N4k1jYAz4os%3D&language=en>

## **GSA other certificates:**

- ▶ ISO 9001:2008
- ▶ ISO/IEC 27001
- ▶ ISO 14001:2004

## **GSA, IT Provider - WASKO holds following certificates available here at the following link:**

<http://www.wasko.pl/certyfikaty/>

- ▶ ISO 9001:2008
- ▶ ISO 14001:2004
- ▶ ISO/IEC 27001:2005
- ▶ AQAP 2210:2006
- ▶ AQAP 2110:2009
- ▶ ISO 9001:2008

# GSA platform – cooperative approach

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## With TSOs:

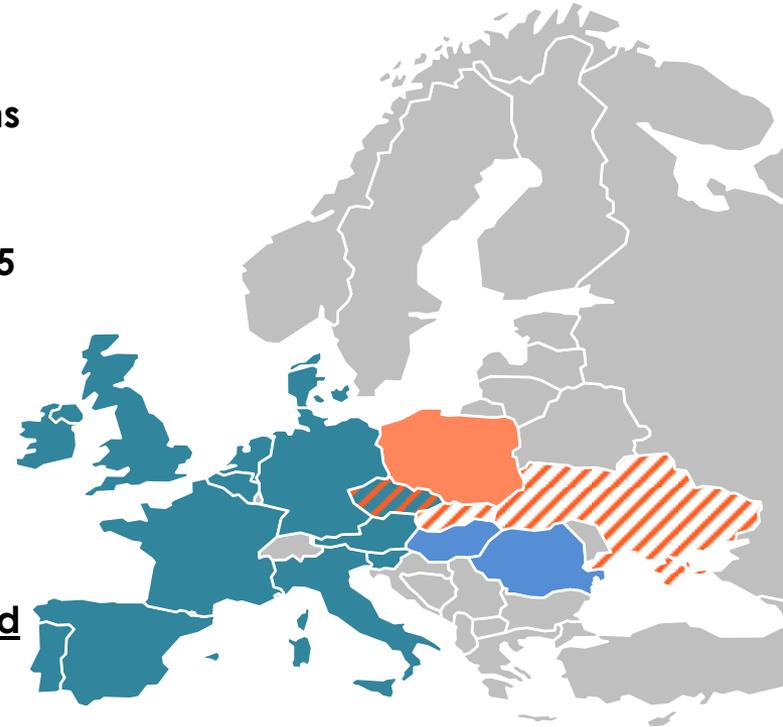
- ▶ 2015 - Pilot project with NET4GAS (first auctions commenced, further implementation ongoing).
- ▶ NETGAS becomes a client of GSA since end of Oct 2015
- ▶ 2015-2016- Pilot project with EUSTREAM
- ▶ 2015-2016- Pilot project with UKRTRANSGAZ

## With the other Platform promoters (PRISMA and RBP) and ACER:

- ▶ Works related to find the cooperation model among all three platforms ongoing

## **Discussion with the German TSOs:**

- ▶ Discussion ongoing



## Cooperation

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- GAZ-SYSTEM and FGSZ works on the cooperation model concept between GSA Platform and RBP regarding the bundled capacity auctioning.
- Until now, details of the automated communication between platforms was agreed, currently parties are working on the Cooperation Agreement.
- TSOs on GSA :
  - GAZ-SYSTEM (PL)
  - GAZ-SYSTEM ISO (Polish part of Yamal pipeline) (PL)
  - NET4GAS (CZ)
  - Eustream (Framework Agreement For Use of The GSA Platform on an ongoing basis by Eustream in process of signing) (SK)
  - Ukrtransgaz (Cooperation Agreement signed, further agreements ) (UA)
- TSOs on RBP:
  - FGSZ (HU)
  - Magyar Gáz Tranzit Zrt (Połączenie SK-HU) (HU)
  - Plinacro d.o.o., (HR)
  - Eustream a.s., (SK)
  - SNTGN Transgaz SA (RO)

### **PRICING:**

- ▶ Pricing model based on IPs,
- ▶ Each TSOs joining the GSA Platform, will lower unit cost of its operation and implementation (per IP)
- ▶ Annual Fee per Contractual IP (per direction) estimated around 15 000 – 20 000 EUR. If higher number of points shall be allocated on GSA Platform, the fee will decrease (linear function)
- ▶ The fee for use of the platform will be independent from the number of auctions carried out by TSO at the Contractual IP (per direction)
- ▶ Access to test environment – free of charge
- ▶ Pilot projects - free of charge

### **GOVERNANCE:**

- ▶ For the time being GAZ-SYSTEM is the sole owner of the Platform
- ▶ GSA is codename – name of the platform can be different, but as long as GSA is part of GAZ-SYSTEM, additional costs do not need to be paid (separate employees, building, costs of running separate company, servers etc.)
- ▶ Council of TSOs to be established in case other TSOs shall joint on permanent basis
- ▶ We are open to discuss different business models (if requested by other TSOs)
- ▶ Main focus on CAM NC implementation and costs control

## How to initiate the cooperation with GSA?

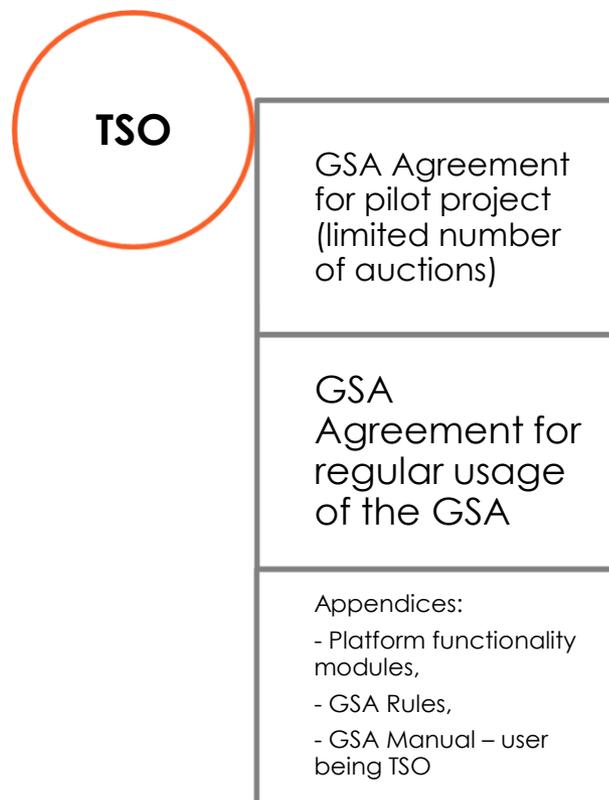
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### Request to cooperate with the GSA Platform

1. Live presentation of the GSA Platform (Warsaw/other Location)
  - ▶ Registration of the TSO
  - ▶ Registration of the Shippers
  - ▶ Test auctions (live)
  - ▶ Evaluation of test auctions results
2. Cooperation Agreement concerning the Pilot Project
3. Pilot project implementation
4. Further discussion concerning future cooperation
5. Further Agreements concerning the cooperation between the TSO and the Platform

## How to access GSA? – TSO perspective

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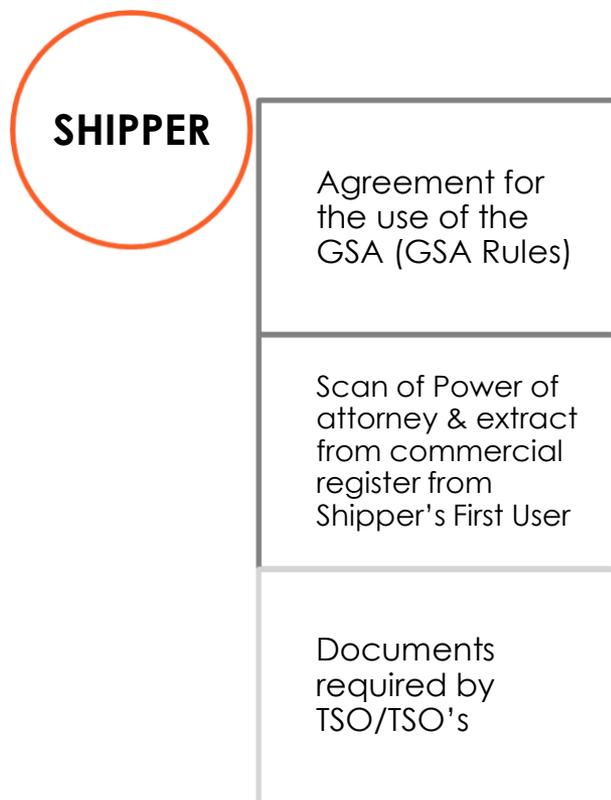


1. To test the GSA, the TSO concludes a pilot agreement, which enables him to execute a limited number of auctions only.
2. After the pilot phase, if the TSO wants to use GSA for designated points in a permanent way, it concludes a long-term agreement with GAZ-SYSTEM.
3. Similar content of both agreements.

GSA documents: <https://auctions.gaz-system.pl/files/downloads>

## How to access GSA? – Shipper perspective

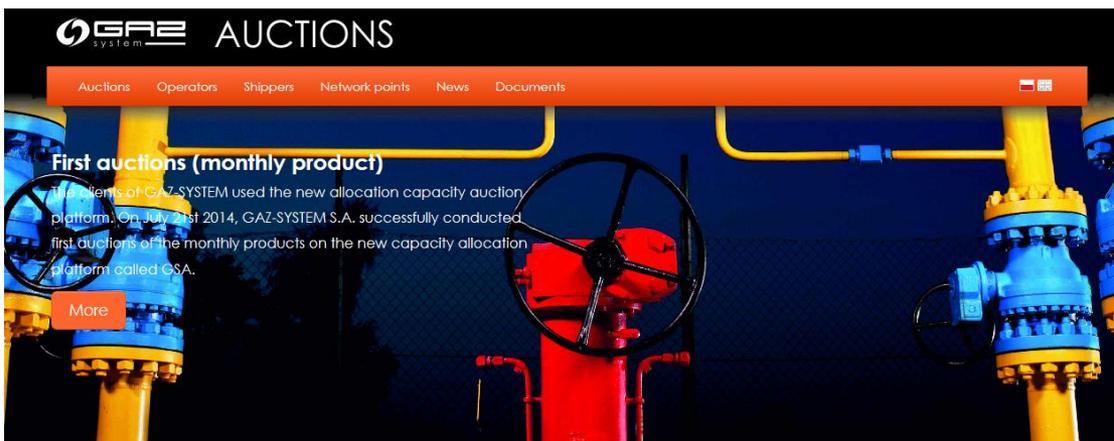
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1. To register and use the GSA, the Shipper concludes an agreement for the use of the GSA (GAZ-SYSTEM Auction Platform Rules).
2. To conclude the agreement for the use of the GSA, the Shipper needs to provide electronic versions of a power of attorney and excerpt from commercial register.
3. To use the GSA, the Shipper needs to be activated by a chosen TSO, after he submits all the documents required by a given TSO.

GSA documents: <https://auctions.gaz-system.pl/files/downloads>

Free access to the test environment!



<https://auctions.gaz-system.pl/>

**TEST ENVIRONMENT (For interested TSOs, NRAs):**

<https://auctions.gaz-system.pl/test2>

**We invite all interested companies to test GSA Platform functionalities and become familiar with the documents!**

# Thank you for your attention

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