



#### Outline



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#### COMMISSION REGULATION (EU) No 984/2013

of 14 October 2013

establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council (Text with EEA relevance)

THE EUROPEAN COMMISSION

Having regard to the Treaty on the Functioning of the European

Having regard to Regulation (EC) No 715/2009 of 13 July 2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (1), and in particular Article 6(11) thereof,

- Regulation (EC) No 715/2009 sets non-discriminatory rules for access conditions to natural gas transmission systems with a view to ensuring the proper functioning of the internal market in gas.
- Duplication of gas transmission systems is in most cases neither economic nor efficient. Competition in natural gas markets therefore requires a transparent and nondiscriminatory access to gas infrastructure for all network users. However, in large parts of the Union the lack of equal and transparent access to transmission capacity remains a major obstacle for achieving effective competition on the wholesale market. Furthermore, the fact that national rules differ from one Member State to another hampers the creation of a well-functioning internal market for gas.
- Inefficient use of and limited access to the Union's highpressure gas pipelines lead to suboptimal market conditions. A more transparent, efficient and nondiscriminatory system of allocation of scarce transmission capacities needs to be implemented for the Union's high-pressure gas grids, so that cross-border competition can further develop and market integration supported by stakeholders.
- Bringing about effective competition between suppliers inside and outside the Union requires that they

can progress. Developing such rules has been consistently

are able to flexibly use the existing transmission systems to ship their gas according to price signals. Only a well-functioning network of interconnected transmission grids, offering equal access conditions to all, allows gas to flow freely across the Union. That in turn attracts more suppliers, increasing liquidity at the trading hubs and contributing to efficient price discovery mechanisms and consequently fair gas prices that are based on the principle of demand and supply.

- This Regulation establishing a network code on capacity allocation mechanism in gas transmission systems aims to establish the necessary degree of harmonisation across Europe. The effective implementation of this Regulation furthermore relies on the introduction of tariff systems which are consistent with the capacity allocation mechanisms proposed in this Regulation, to ensure the implementation without detrimental effect on the revenues and cash flow positions of transmission system operators.
- This Regulation has been adopted on the basis of Regulation (EC) No 715/2009 which it supplements and of which it forms an integral part. References to Regulation (EC) No 715/2009 in other legal acts shall be understood as also referring to this Regulation. This Regulation does not apply to natural gas transmission systems situated in Member States for the duration of derogations granted under Article 49 of Directive 2009/73/EC of the European Parliament and of the Council (2). This Regulation does apply to non-exempted capacities in major new infrastructures which have received an exemption from Article 32 of Directive 2009/73/EC or from the former Article 18 of Directive 2003/55/EC of the European Parliament and of the Council (3) to the extent the application of this Regulation does not undermine such an exemption and taking into account the specific nature of interconnectors when bundling.
- This Regulation was established according to the procedure as set out in Article 6 of Regulation (EC) No 715/2009. It further harmonises the rules laid down in Article 16 of Regulation (EC) No 715/2009 and supplements the principles of capacity allocation mechanisms and congestion management procedures concerning transmission system operators as laid down in point 2.1 of Annex I to Regulation (EC) No 715/2009.
- This Regulation is without prejudice to application of EU and national competition rules, in particular the prohibitions of restrictive agreements (Article 101 of the Treaty

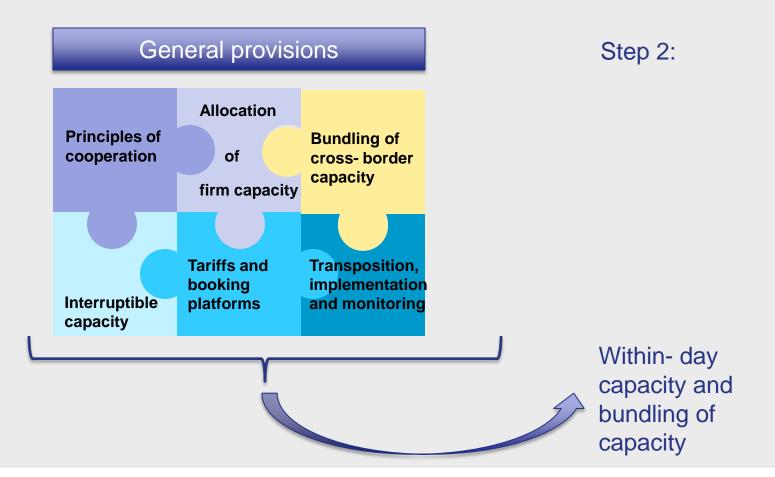
(\*) OJ L 211, 14.8.2009, p. 94. (\*) OJ L 176, 15.7.2003, p. 57.

- Concept
- First step- provisions and deadline
- 3. Second step- provisions and deadline
- Relation to other Network Codes
- 4. Way forward

(1) OJ L 211, 14.8.2009, p. 36.

#### Concept of phased CAM implementation





### First step- main provisions and deadline



# Principles of cooperation

- Standardization of communication
- Coordination of maintenance
- Exchange of information between adjacent TSOs

## Allocation of firm capacity

- Allocation methodology
- Standard products and units
- Auctions and auction algorithms

### Interruptible capacity

- Allocation of interruptible services
- Lead times, coordination, sequence of and reasons for interruption

# Tariffs and capacity booking platforms

- Tariffs
- Capacity booking platforms

By 01.01.2018.

#### Second step- main provisions and deadline



# Principles of cooperation

Calculation and maximization of bundled capacity

## Allocation of firm capacity

• Within- day standard capacity products and relevant auctions

#### Bundling of crossborder capacity

- · Bundled capacity products
- Bundling in case of existing transport contracts

## Interruptible capacity

Within- day interruptible capacity

### Tariffs and capacity booking platforms

- Payable price of bundled capacity
- Split of revenues from bundled capacity
- Joint booking platforms



By 01.01.2019.

### Relation to other Network Codes' implementation



### CAM 1<sup>st</sup> step

IO: interconnection agreements and units

CMP annex to Regulation 715

BAL: Balancing system, nominations and re-nominations and information provision

#### CAM 2<sup>nd</sup> step

IO: gas quality and odourisation, data exchange

BAL: operational balancing, intraday (re)nominations, daily imbalance charges, within day obligations, neutrality arrangements, linepack flexibility

#### Way forward



- CAM adaptation proposal in September 2016
- CMP adaptation proposal in September 2016
- 2<sup>nd</sup> Meeting on Implementation of Gas NC in the EnC back to back with 11<sup>th</sup> EnC
  Gas Forum (22-23 Sep 2016)
- BAL adaptation proposal in October 2016
- 3<sup>rd</sup> Meeting on Implementation of Gas NC in the EnC in November 2016
- Ready for PHLG adoption in December 2016 (?)



