

Note of Meeting

ENTSOG Stakeholder Support Workshop on CAM, 31st Jan 2012

ENSTOG Offices, Avenue de Cortenbergh 100, Brussels, 11.00-15.00

Avenue de Cortenbergh, 100
B – 1000 Brussels

Tel: +32 2 894 5100
Fax: +32 2 894 5101

info@entsog.eu
www.entsog.eu

Attendees:

Name	Association	Name	Association
Stephan Kamphues	ENTSOG	Paul Martinet	ACER
Frank Roessler	ENTSOG	Clara Ruiz Prada	Ofgem
Heather Glass	ENTSOG	Markus Backes	BNetzA
Ann-Marie Colbert	ENTSOG	Sophie Dourlens - Quaranta	CRE
Johannes Heidelberger	ENTSOG	Anya Bhattacharji	Interconnector
Andrew Pearce	BP Gas Marketing	Mark Dalton	BG Group
Kristóf Kovács	European Commission	Matthew Hatch	National Grid
Anna Pedzich	PGNiG	Nick Aked	Frontier Economics
Ewa Kubala	PGNiG	Wynne Jones	Frontier Economics
Mieczyslaw Wisniewski	PGNiG	Christian Sidak	EconGas
Barbara Eisenhuth	Gasunie DTS	Kenneth Boe Larsen	DONG Energy
Christoph Mucha	Price Waterhouse	Ivelina Boneva	GasTerra
Marco Gazzola	SNAM	Kees Bouwens	ExxonMobil/OGP
Claude Mangin	GDF SUEZ	Mark Hobbelenk Wiekens	GTS
Helen Stack	Centrica	David Mooney	Iberdola
Margot Loudon	EUROGAS	Michele Riotta	ENI
Daniel Bonnici	GRTgaz	Nabil Mezlef	EDF
Maria Angeles de Vicente	Enagas	Piotr Seklecki	SGT Europolgaz
Richie Haly	Gaslink	Sylvain Lemelletier	GRTgaz
Alexandor Laud	Open Grid Europe	Patrick Pias	Windgas Transport
Oliver Altenhoff	Open Grid Europe	Sofia Rubio	Gas Natural Fenosa

Introduction

Frank Roessler welcomed everyone and spoke about the challenging journey and work involved in bringing the Capacity Allocation Mechanism (CAM) network code (NC) to this



point. He also introduced ENTSOG's President, Stephen Kamphues, and invited him to speak about ENTSOG and the code development.

ENTSOLOG President's Overview of the CAM NC Process

Stephen Kamphues presented a broad overview of the CAM network code process, highlighting that stakeholder consultation had been at the heart of the NC development. The code has been developed to ensure as much freedom as possible and as much harmonisation as necessary. Stephen Kamphues understood that some stakeholders would prefer slightly diverging details in the NC, but emphasised that he is convinced that the overall work is a great success and means a big step forward for the European gas market. Market players were invited to support the CAM code in the Stakeholder Support Process. Finally, the ENTSOG President announced that the NC will be delivered to ACER on 6 March.

CAM Network Code Presentations

ENTSOLOG explained the key features of the CAM NC, focusing particularly on the two most significant areas, allocation and bundling, and noting some additional areas in which changes had been made from the draft NC published in June 2011.

There were a number of questions relating to the sunset clause such as its impact on contracts, its potential removal from the code and the workability of the code without it. Stakeholders also asked for further detail regarding the revenue equivalence principle, capacity auction durations and the comitology process.

Frank Roessler asked for some high level views from stakeholders on the network code. Participants considered that overall the network code seems to provide a workable solution in terms of products and auction design. In general, the network users gave very positive feedback to the final code concepts and said that they were happy that their concerns were considered during the whole process.

The Stakeholder Support Process

Frank Roessler outlined the purpose of the Stakeholder Support Process. Stakeholders will be asked for their perception of the network code development process and to indicate whether they support each of the articles within the code. ENTSOG has tried hard to understand, and where possible reflect, all views and hopes that market participants will be able to support the resulting NC. It was noted that ENTSOG is looking forward to the implementation of the code to see what lessons can be learned from its practical application for future discussions.

Day-ahead Auction Timing

Kristóf Kovács from the Commission gave a presentation outlining the next steps for CAM and how it interfaces with CMP. The Commission hopes for a relatively short comitology



process for CAM, and that the NC will come into force around Q3 2013. Kristóf Kovács believed that the target for the launch of auctions should be 2015 even if the mandatory implementation date were later. He encouraged market participants to continue to support the process which still had a long way to run.

Regarding the timing of day-ahead auctions, it was explained that the Commission aims to ensure that the CAM network code is fully compatible with their Congestion Management Procedures (CMP) guideline. A change to the day-ahead auction timing from the morning to the afternoon is necessary so that the firm day ahead (DA) UIOLI can work as envisaged by the Commission with regards to the restriction of the re-nomination rights.

Frank Roessler said that ENTSOG understood the Commission's arguments and had included an afternoon DA auction in the final CAM NC. The bidding window will be open from 16.30-18.00 local time, in line with the nomination and matching process. As the Commission's request was received at a very late stage in the CAM process it was not possible to consult stakeholders regarding this change as had been done with all other aspects of the NC. ENTSOG has therefore included an additional question in the Stakeholder Support Process response sheet asking for views on this change, which will be passed on to the Commission. Participants were asked for their initial reactions, positive or negative, on the change to an afternoon DA auction. There were no negative responses raised by stakeholders during the meeting.

A Prime Mover's view on the CAM NC Development

Claude Mangin, a Prime Mover throughout the process, presented his view of the CAM network code development. He believes that a harmonised European network code is beneficial and mentioned the necessity for interactions with other network codes. He praised ENTSOG's organised, transparent and pragmatic approach to the process and said that he supported the code (except for mandatory bundling and the sunset clause). At the end Claude congratulated ENTSOG for the work done.

In conclusion, Frank Roessler said that he hoped the CAM network code would be supported and that stakeholders would be able to submit responses to the consultation by 13 February 2012. Frank thanked participants for attending the workshop and for their support over the last year.