

Notes of Meeting

ENTSOG CAM Network Code Kick-Off meeting

9 February 2011, GIE Office, Brussels, 11:00-15:00

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Name	Company/Association	Name	Company/Association
Frank Roessler	ENTSOG	Thomas L'Eglise	Fluxys (ENTSOG)
Alan Duggan	Gaslink (ENTSOG)	Helen Stack	Centrica (Eurogas)
Carmen Gimeno	GEODE	Margot Loudon	Eurogas
Henrik Schultz-Brunn	Thyssengas (ENTSOG)	Ralf Presse	RWE S & T (Eurogas)
Kees Bouwens	Exxon Mobil (OGP)	Andrew Pearce	BP (EFET)
Mathieu Laneelle	Total (OGP)	Alex Barnes	Gazprom M & T (EFET)
Maria de Vicente	Enagas (ENTSOG)	Christiane Sykes	Statoil (EFET)
Gaston de Lahitte	GIE	Friedrich von Burchard	E.ON RG (Eurogas)
Vittorio Musazzi	ENTSOG	Bendik Solum Whist	EFTA

1. Introduction and welcome

Vittorio Musazzi, the ENTSOG General Manager, welcomed the participants to the CAM network code kick-off meeting. He explained that the purpose of the meeting was to involve stakeholders from the beginning of the process and reminded on the respective interaction in the previous months.

Vittorio Musazzi pointed out that the CAM network code is the first code to be developed and highlighted the importance of the commitment needed from all the parties to manage the process in the short time frame available to deliver the network code. He also thanked the ENTSOG staff and the TSOs that are responsible for the work for their engagement.

Frank Roessler, the ENTSOG Capacity Subject Manager, explained that it is intended that notes are produced for official meetings with regards to the network code development. The notes will be published in the ENTSOG website.

To allow optimal communication for all relevant ENTSOG matters, participants were invited to subscribe to distribution lists and it was informed that all market players are asked to also fill-in the form. A respective form was distributed to all market players.

2. CAM Network Code Process

Frank referred to the reception of the invitation letter from the EC on the 27th January 2011 which describes the official start date of the development of the CAM network code. He highlighted the key message of the letter which requires that where the framework guideline leaves room for discretion, ENTSOG should when in doubt interpret this discretion in favour of European harmonisation rather than individual solutions on a national level. It was added that in the letter the EC envisages that the network code should be sufficiently specific for immediate application by TSOs upon its entry into force and it should in particular not require prior determinations or specifications by national regulators.

The stakeholders present all supported the EC view that the network code should be as detailed as possible and that it should ideally describe fully harmonised provisions for capacity allocation throughout the entire EU.

3. CAM Framework Guideline

The meeting participants went through the CAM framework guideline discussing the most critical issues and the TSOs position on those. ENTSOG for example explained that it is only possible to develop detailed standard communication procedures after the exact allocation methodology was specified. Therefore, the final standards for communication will be developed within a handbook probably together with the Interoperability network code.

ENTSOG pointed out that following the latest version of the framework guideline the TSOs will consult on yearly, quarterly, monthly, daily and within-day capacity products. As regards to yearly products EFET expressed their concerns about such a product and the complications that this option could bring.

Subsequently, ENTSOG noted that the framework guideline requests that at least 10 % of firm long term capacity is reserved for short term offers. Together with all capacity freed-up via CMPs this will provide a significant amount of firm short term capacity for the market which is linked to the issue of the need for a firm day-ahead UIOLI by restricting the re-nomination rights.

ENTSOG then explained that there are concerns with the bundling provision of the framework guideline. This is especially the case for "Virtual Interconnection Points" where the added value compared to regular bundling is not clear and there are significant issues which would need to be resolved if such a measure should be implemented. The TSOs referred to their role as service providers and explained that so far the market players have raised strong objections to this rule and expressed the need of being able to trade at the flange. Additionally, ENTSOG reminded on

the links with other subjects e.g. the balancing framework guideline which may not be fully compatible with this provision of the CAM framework guideline.

The present stakeholders questioned if the target of only hub to hub trading could be in conflict with the gas Directive which asks for entry/exit systems. Others noted that with virtual bundling the link between the commercial and the physical world could be lost. There was a strong preference that flange trade should not be prohibited as such. Finally, the stakeholders present made clear towards ENTSOG that virtual bundling would not be supported in the CAM network code.

4. General CAM Network Code Project Plan / SJWS Guideline

Frank Roessler presented slides describing the planning for the CAM network code development process. He informed the group that the CAM network code Project Plan was published just before the meeting and described the content and the purpose of the document.

Reference was made to the project schedule, the foreseen consultations and the interactions with stakeholders. Frank Roessler noted that four Stakeholders Joint Working Sessions (SJWSs) and various meetings as well as three consultations periods are planned. Each of the three first SJWSs will probably focus on one particular topic and the last one may wrap-up the debate. It was explained that if more time should be spent on the SJWSs then this would reduce the time available for the consultation and vice-versa. ENTSOG informed that before each SJWS discussion material will be circulated to allow stakeholders to prepare for the meetings.

ENTSOG made reference to the response sheet at the end of the Project Plan document to be completed by the market players. Stakeholders shall provide their remarks on the planning and indicate their envisaged level of participation during the network code development process. All relevant material is published on the ENTSOG website. A workshop to discuss the users' comments can be held on the 9th of March 2011.

The meeting participants were also informed that "Guidelines on the Stakeholder Engagement Process" are published under the "Publications" section of the ENTSOG website describing how all interactions (SJWSs, consultations, meetings etc.) and the process shall be conducted.

5. CMP Comitology Process

With reference to the developments within the area of Congestion Management Procedures (CMP), Frank Roessler noted that the EC informed that they will launch a consultation on their CMP proposal during the current or the following week by issuing a questionnaire. After having analysed the responses they will fine-tune the document over the summer. The start of the comitology procedure is planned for autumn 2011.

Frank Roessler presented the CMP proposal which ENTSOG developed and published in November 2010. This document was produced on the basis of the proposal prepared by the EC

but suggesting some amendments. The TSOs broadly agree with most provisions suggested accept the firm day-ahead UIOLI by restricting their re-nomination rights. The document is available in the capacity section of the ENTSOG website.

All present user companies expressed their strong concerns with this measure as an effective CMP and explained the reasoning of their positions.