

Congestion management procedures

Commission proposal for guidelines to be adopted via a comitology procedure

1. SCOPE OF THE ARRANGEMENTS

The rules on congestion management procedures in these Guidelines apply to all interconnection points where capacity allocation mechanisms under this Regulation apply. The rules on congestion management procedures in these Guidelines shall apply to all interconnection points regardless of whether they are presently congested or not.

2. CAPACITY CALCULATION

When assessing technical capacity, transmission system operators shall consider the maximum amount of capacity that can be offered for use without restrictions.

Technical capacity must be calculated through transparent methodologies, using best available and cost-efficient procedures by transmission system operators. Transmission system operators shall identify all capacity that can be physically used in order to maximise the offer of capacity to the market. When forecasting system use for the purposes of identifying technical constraints, transmission system operators may also consider market trends, historical flow data and data on results of allocation processes.

In case of short-term congestion national regulatory authorities shall define further details of capacity calculation. In particular this may cover the calculation of short-term capacity down to daily and intraday capacity, to be based upon transmission system operators' current knowledge of, inter alia, the actual calorific value of the gas, expected consumption, climatic conditions, system configuration and the availability of network components.

3. CAPACITY INCREASE BY OVERSUBSCRIPTION AND BUY-BACK ARRANGEMENTS

Transmission system operators may implement an oversubscription and buy back mechanism in order to offer additional capacity on a firm basis. Based on statistic scenarios about the probable amount of unused capacity they may make available an extra amount of capacity exceeding the capacity calculated. When determining the oversubscribed capacity transmission system operators shall also estimate the likelihood and the costs of buying back capacity on the market and reflect this in the amount of additional capacity to be made available. In case of actual or potential physical congestion transmission system operators shall tender for buying back capacity.

The national regulatory authority may set the proportion of additional capacity to be made available. The national regulatory authority may also determine a financial incentive scheme allowing the transmission system operator to optimise capacity oversubscription.

4. SURRENDER OF BOOKED CAPACITY

Transmission system operators shall define terms and conditions for network users to surrender booked capacity to them. Transmission system operators shall be obliged to accept capacity offered for surrender insofar contractual congestion exists. The terms and conditions for surrendering capacity and the methods of rewarding initial capacity holders for the capacity sold shall be approved by the national regulatory authority.

Surrendered capacity shall be taken into account when calculating available capacity.

5. FIRM DAY-AHEAD UIOLI (USE IT OR LOSE IT)

Initial nomination

The initial nomination shall be made at **XX:XX** CET.

Re-nomination

The following principles shall apply per network user and per interconnection point with respect to altering the initial nomination (re-nomination):

Firm re-nominations upwards are permissible up to 50% of the fraction of the initially not nominated booked capacity. The remainder of booked capacity can be re-nominated on an interruptible basis.

Re-nominating downwards is permissible down to 50% of the initial nomination. Where the initial nomination exceeds 90% of the total capacity booked, no re-nomination downwards shall be permitted.

Upon a duly founded request from a network user the regulatory authority may allow that individual network user more extensive re-nomination. Such exemption may only be granted where it has been proved that

- limited re-nomination rights would interfere negatively with the electricity market, or
- limited re-nomination rights would undermine network stability or security of supply. Network stability or security of supply shall be deemed not undermined as long as other sources of flexible gas, e.g. intra day gas markets or market based balancing regimes, can sufficiently compensate the potential loss of flexibility resulting from limited re-nomination rights.

Such exemption shall be subject to annual revision. The affected interconnection point as well as the number, duration, and total extent of such exemptions shall be published by the TSO.

Offer and allocation of firm day-ahead capacity

The aggregated non-nominated capacity shall be offered as firm day-ahead capacity. Possibilities for firm re-nomination shall be taken into account. Both offers shall be integrated with other offers of firm day-ahead capacity.

As long as no harmonised allocation mechanism for cross border capacities has been established, TSOs shall allocate day ahead firm capacities in a market based manner. Adjacent TSOs shall endeavour to at least optionally allocate corresponding exit and entry capacities as one single capacity product. As long as no harmonised mechanism for the treatment of excess revenues has been established, Article 16 (6) of Regulation (EC) No 714/2009 shall apply accordingly.

Nomination of firm day ahead capacity

Firm day ahead capacity is nominated separately after the closing of the main trading activities. The rules on re-nomination under this guideline shall apply accordingly.

Within day nomination

Insofar firm capacity remains available after taking into account all nominations and all rights to firm re-nomination, network users shall be entitled to nominate this capacity on a firm basis at any given moment within day, without requiring prior booking. Where no firm within day nominations are possible, such nominations shall be permitted on an interruptible basis.

6. LONG-TERM UIOLI (USE IT OR LOSE IT)

Withdrawal of underutilised capacity

National regulatory authorities shall withdraw systematically underutilised capacity when:

- network users request capacity bookings at the particular interconnection point and are unable to obtain this capacity on the primary or secondary market;
- the capacity holder systematically underutilises at least part of its allocated capacity with a contract duration of more than one year during a specific period covering at least one winter month;
- the capacity owner has not sold or offered in due time and at a reasonable price its unused capacity and
- the capacity owner is unable to satisfactorily justify its behaviour. The application of a short-term UIOLI mechanism shall not be regarded as justification for the purpose of long-term UIOLI.

If two Member States are involved, coherent decisions shall be taken. Article 8 (1) of Regulation (EC) No 713/2009 shall apply.

Withdrawal may result in the capacity holder losing its capacity rights, partially or completely for a given period or for the remaining contractual term. Furthermore, the capacity holder can be limited in its nomination rights for a given period to the maximum flows of the previous year. The capacity withdrawn or subjected to limits to the nomination rights shall be offered on the primary market by the respective transmission system operator.