

A stylized graphic of a leaf or feather, composed of several overlapping curved shapes in shades of blue, green, and yellow, pointing upwards and to the right.

GEODE
Point of View
EREGG Guidelines CAM & CMP

EREGG Workshop
Brussels, 18/02/2009
Christian Thole

GEODE

A circular arrangement of twelve yellow stars, similar to the European Union flag, positioned behind the letter 'O' in the word 'GEODE'.



Agenda

- I. CAM & CMP – General remarks
- II. Principal reflections
- III. GEODE's proposal
- IV. Comments on the Guidelines



I. CAM & CMP

General remarks

- GEODE appreciates ERGEG proposal to amend the Guidelines on CAM and CMP
- Amendments to the Guidelines absolutely necessary - unsatisfactory CAM & CMP is a big barrier to competition
- The Guidelines contain extensive amendments proposals and several good solution options
- But: Before a major repair of an insufficient capacity system is done– there is a need to challenge the system itself

II. CAM & CMP

Principal reflections

- Contract-based capacity bookings through the shipper are not optimal
 - firm capacities to big extent block free capacities
- Existing booking points are partly random/arbitrary – i.e. the national market zone borders, ownership borders, national borders.
- Numerous examples for the fact that the bookings obligation lapse without substitution
 - i.e. fusion of networks and market zones



III. CAM & CMP

GEODE's proposal (1)

- Capacity determination and capacity management principally by TSO
 - rule: Who has Gas –has also capacity
- Capacity allocations only in absolute exception cases
 - physical congestions
- Therefore a precise and unambiguous definition of a physical congestion indispensable



III. CAM & CMP

GEODE's proposal (2)

- TSO have to consolidate alternative transmission lines between European gas hubs
- Capacity reservations for market places/trading hubs (implicit transport activities)
- Congestion only if all the transmission lines, regardless of the ownership borders, are at the same time technically overloaded
- Transparency! Data to be obligatorily published by TSOs:
 - technical capacity (time-dependent)
 - firm bookings/ nominated and effectively transported quantities
 - shippers with more than 50% capacity/quantity
- Objective:
To create a big European market, where no capacity bookings are needed

IV. CAM & CMP

Comments on Guidelines (1)

- Amendments proposals not equally specific; far-reaching decision discretion for NRAs
 - thus, uncertainty for the market participants
 - danger of diverging regulations in particular member states
 - delays due to coordination obligation between the NRAs
- Incentives for the maximal capacity allocation by the TSOs
 - OK, but a certain contradictions to the regulatory system

IV. CAM & CMP

Comments on Guidelines (2)

- Secondary capacity trade is only an attempt to remedy an unsatisfactory capacity system
 - secondary trade stimulates overbooking
 - result: unjustified additional revenues for shippers especially through long-term “away”-booking
 - at least price cap for the secondary trade
- Mandatory offer of all the capacity products (especially short-term) is indispensable
 - strengthening the shippers rights in cases of interruptible capacity – TSOs bear burden of prove
 - Strengthening the price-building control for capacity products, especially short-term and interruptible
 - discussion of the existing contracts is indispensable



Thank you for your attention !

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