Network Code Implementation & Functionality Platform Issues

35th Madrid Forum: 29 - 30 April 2021

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Network Codes Implementation – Overview

ENTSOG will publish **2 Monitoring Reports** in Q2 2021:

- Incremental capacity (2021)
- Tariffs Network Code (2022)
- Balancing Network Code (2022)

**Capacity Allocation Mechanisms (CAM) Network Code**
- Covers gas years 2018/2019 and 2019/2020 and reflects the status of the CAM NC implementation and its effect at the end of 2020

**Congestion Management Procedures (CMP) Guidelines**

Monitoring Reports to be published later in 2021 and 2022:
- Incremental capacity (2021)
- Tariffs Network Code (2022)
- Balancing Network Code (2022)
CAM Network Code – Implementation Monitoring

Data collected from 43 TSOs
- 39\(^1\) ENTSOG Members
- 2 Associated Partners
- 2 Non-Members

Full implementation by majority of TSOs
Notable progress:
- Implementation of VIPs
- Allocation of Int. Services

Further work required by a small number of TSOs to fully implement all provisions of CAM NC

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\(^1\) One member holds a derogation and four members have networks with no Interconnection Points
The ratio of bundled firm capacity allocated relative to the total firm capacity has remained stable over recent years (60 – 65%).

- However, there has been significant year-on-year variability between yearly, quarterly, monthly and daily products.

Bundled firm capacity allocated via auctions has increased by around 15% compared to GY 2017/18.

For GYs 2018/19 and 2019/20, unbundled firm capacity accounted for over 94% of capacity traded in the secondary market.

- However, absolute amount of bundled firm capacity traded on the secondary market has increased in recent years.

There are now 3665 registered market participants (15% increase compared to GY 2017/18).
Data collected from 17 TSOs:

- **5 TSOs** – Implementing CMP GLs at time of last monitoring report.
- **12 TSOs** – Identified as having congested Interconnection Points in ACERs Congestion Report.

Only 1 TSO still in the process of implementing CMP GL measures

Expected to be completed by Oct 21
CMP Guidelines – Effect Monitoring

- Of the total amount of additional capacity offered through CMP mechanisms, **30-40% is reallocated to the market.**
  - Surrender of Contracted Capacity and FDA UIOLI account for the majority of ‘offered’ and ‘re-allocated’ capacity.

- The Effect Monitoring indicators show that the **CMP mechanisms allow network users to secure capacity** in situations where IPs are contractually congested.

- The use of the secondary market to re-allocate capacity has declined significantly over recent years.
  - CMP Mechanisms now account for over 99% of capacity reallocations
### FUNC Issues - Overview

21 Issues posted since launch in Nov 2017
- 17 issues closed
- 4 issues open

Open issues in April 2021, accessible through the [FUNC Platform](#):

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<tr>
<th>Posting party</th>
<th>Description</th>
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<tr>
<td>EFET</td>
<td>Greater flexibility to book firm capacity at Interconnection Points (IPs)</td>
<td>In progress</td>
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<td>Equinor</td>
<td>Business Requirements Specifications for balancing</td>
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<td>EASEE-gas</td>
<td>Dutch TSO requirement of message ‘PRODOC’</td>
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<tr>
<td>Energy Community (EnC) Secretariat</td>
<td>Amending EU Legislation concerning implementation of NCs on IPs between EU Member States and Contracting Parties to EnC Treaty</td>
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*Some issues are overlapping*
Thank you for your attention

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