



Network codes: work done so far and outlook on future developments

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**39 Members and 2 Associated Partners
 in 24 EU countries**

3 Observers from EU affiliate countries
 - Gassco AS (Norway)
 - Plinacro Ltd (Croatia)
 - Swissgas AS (Switzerland)

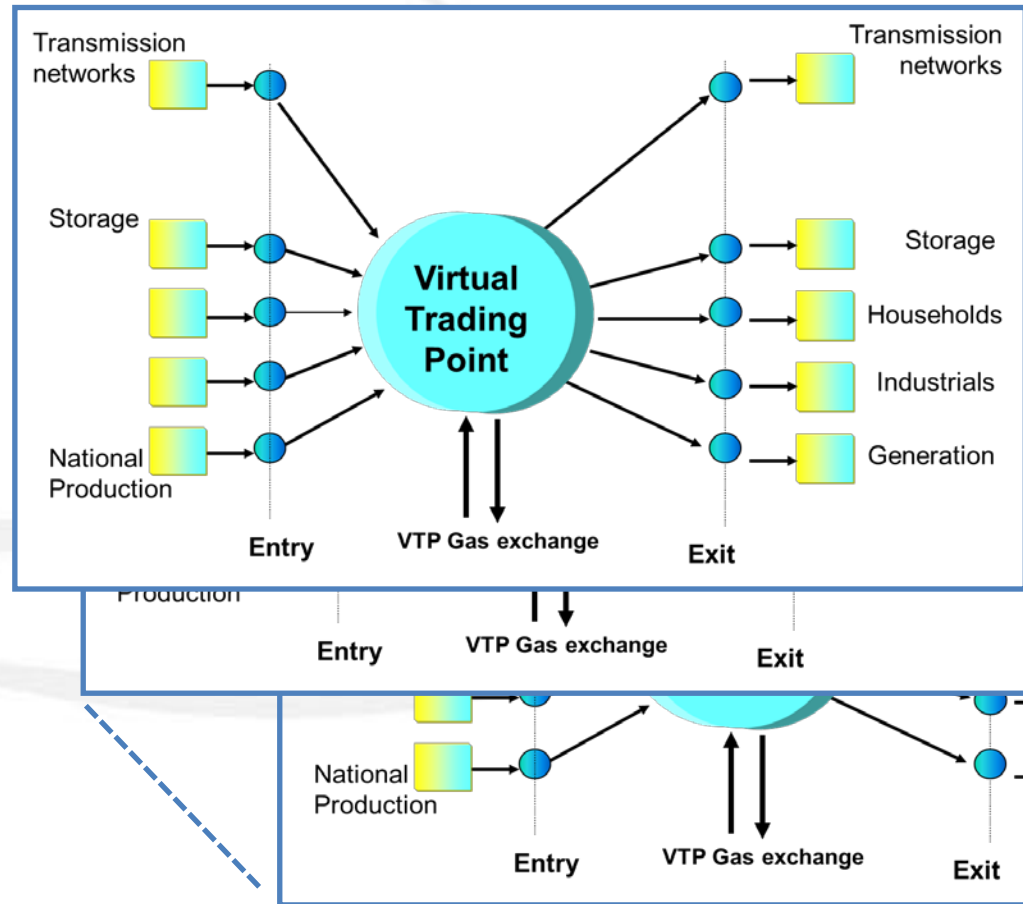


fair partner to all

Enabling a functioning market



“the creative
simplification”

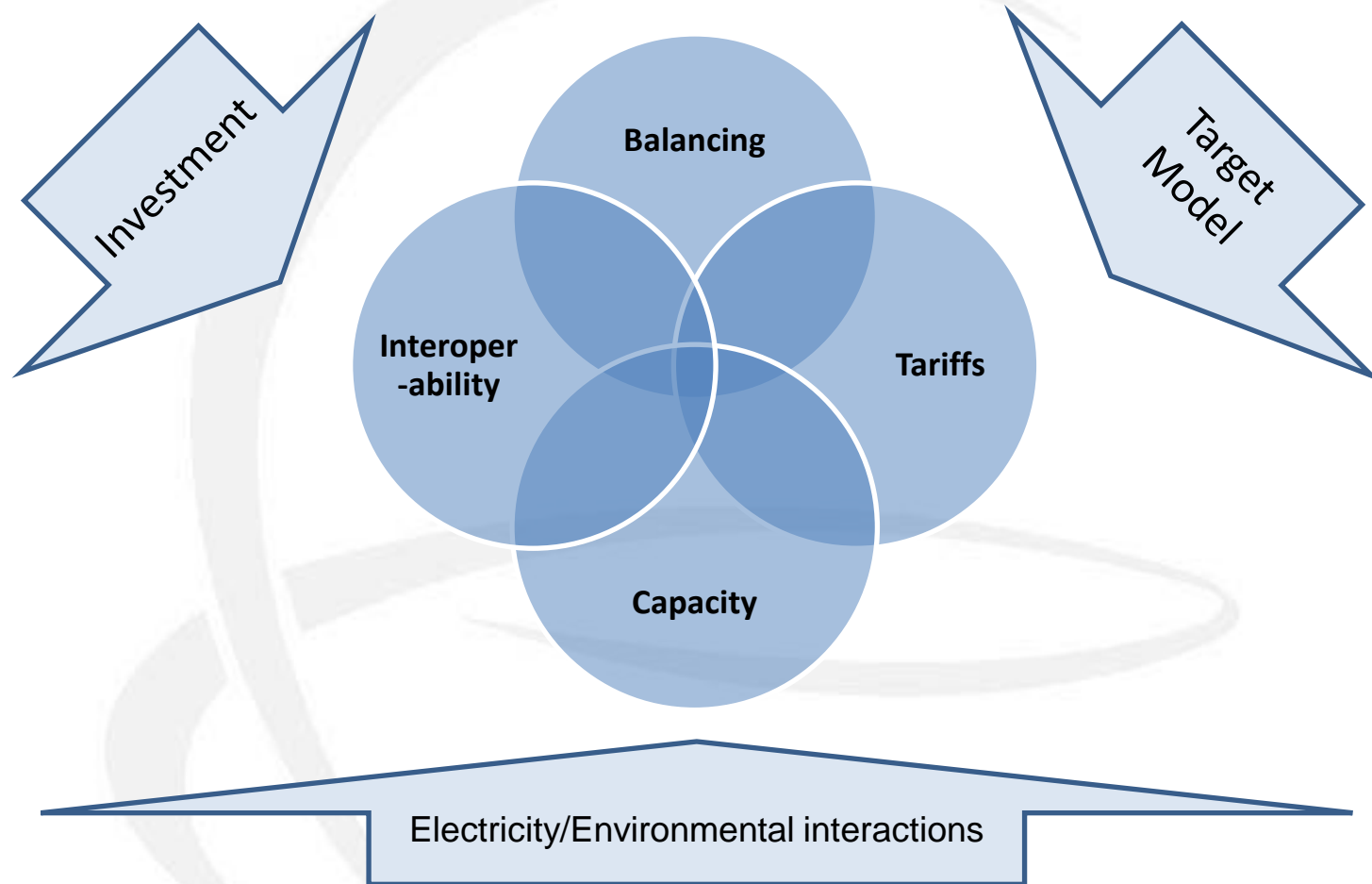


Simple commercial model essential

- “fit for purpose”
- sufficiently close to physical reality

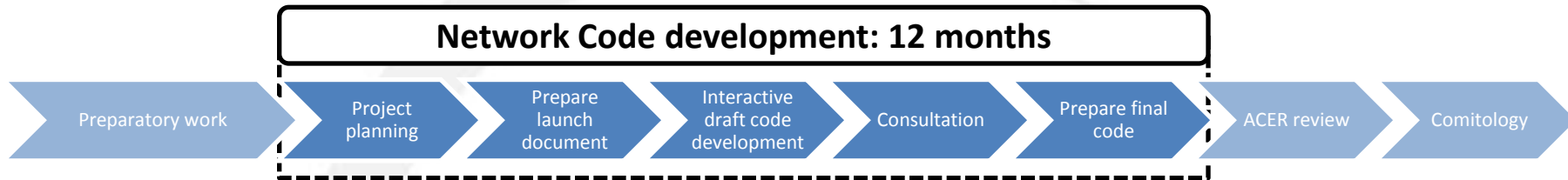
ENTSOG to utilise TSO expertise and stakeholder inputs to ensure viable rules

Developing the Gas Internal Energy Market Framework



Complex interactions both within and outside the priority areas

On the way to EU law



TAR

ACER consulting on scope

INT

ACER developing framework guideline

BAL

ENTSOG consultation in process

CAM

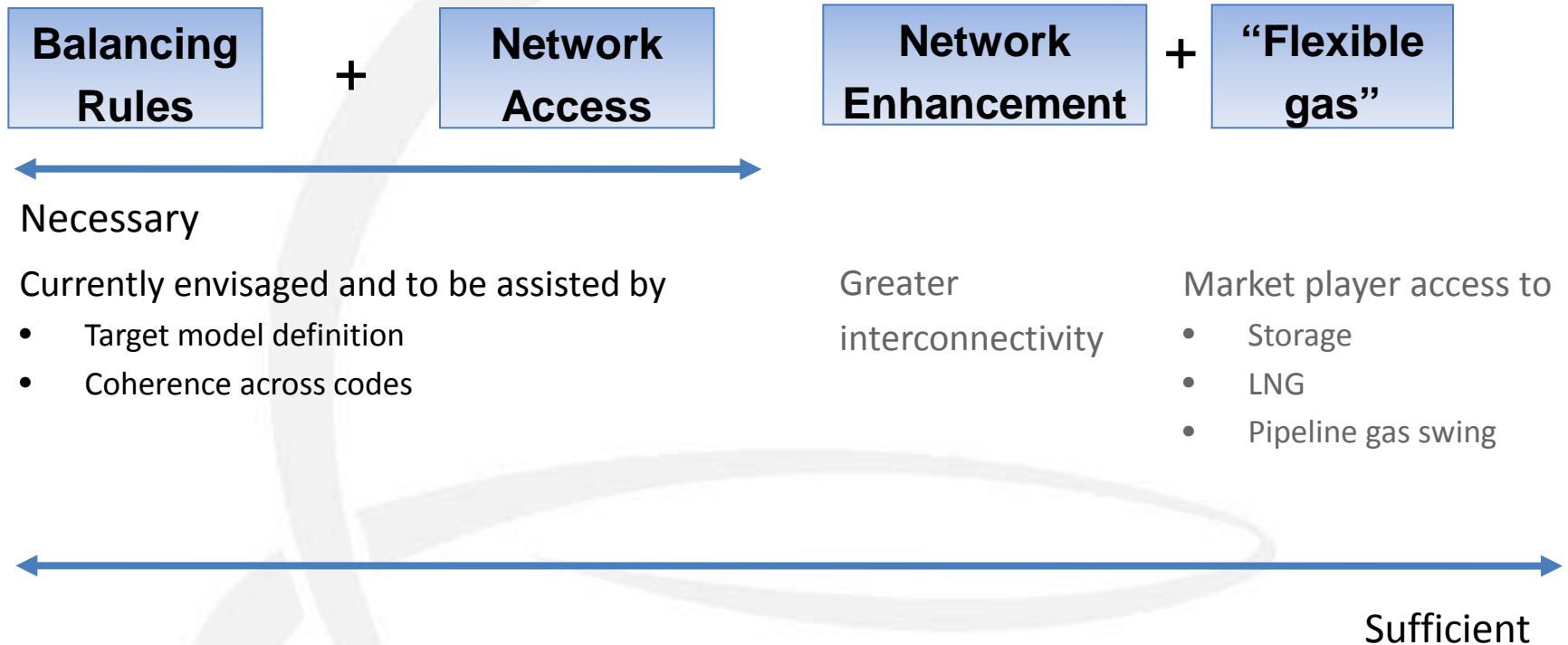
ACER review

CMP

Comitology committee adopted; Co-decision process in progress

.. consistency, completeness and coherence important

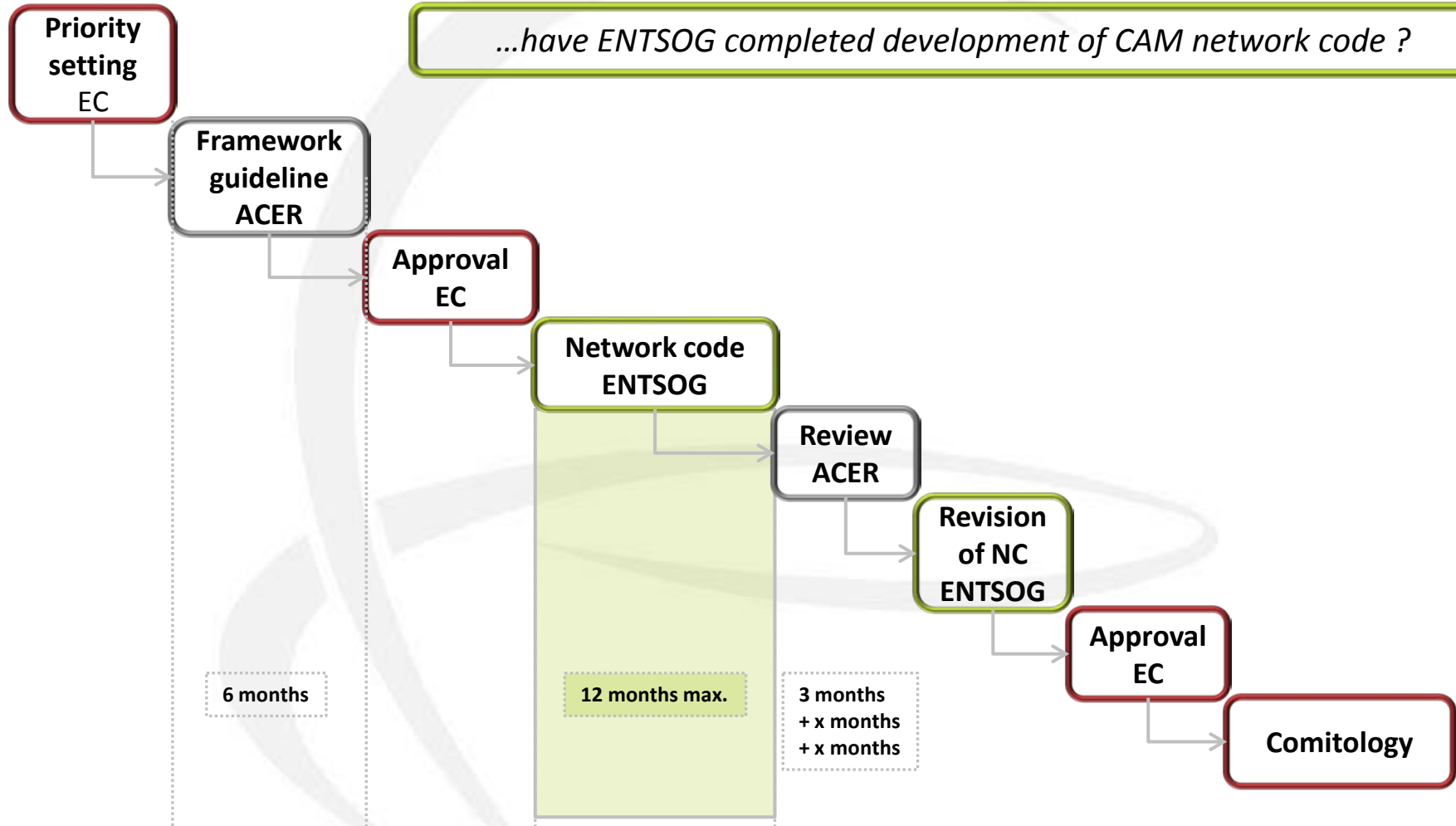
Essential conditions for hub & market functioning



TSO rules can enable short term balancing market but may need other political and regulatory support to enhance network and “flexible gas” competition to ensure hub & market functioning

CAM Network Code Development Process

...have ENTSOG completed development of CAM network code ?



Network Code to be delivered for Comitology start December 2012

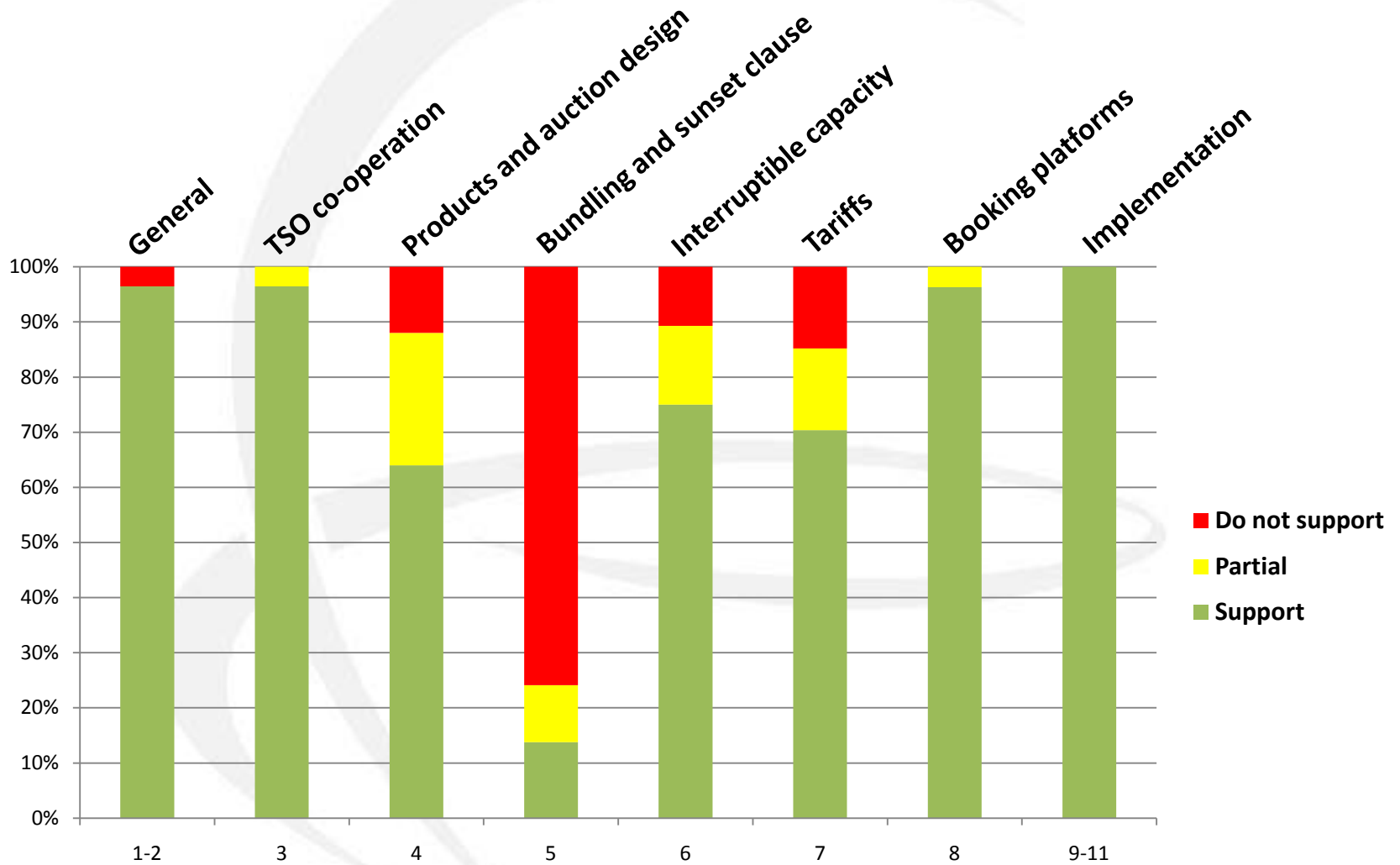


Capacity Allocation Methodology (CAM) code

Content of the CAM network code

- 1. Rationale of the CAM NC (legal clauses, definitions, confidentiality etc.)**
- 2. Application of the Network Code**
- 3. Principles of co-operation (maintenance, communication, calculation)**
- 4. Allocation of firm capacity (products, auction design, algorithms)**
- 5. Cross-border capacity**
- 6. Interruptible capacity**
- 7. Tariffs (assumptions needed for auctions)**
- 8. Booking platforms**
- 9. – 11. Exceeding decisions, Implementation time, Entry into force**

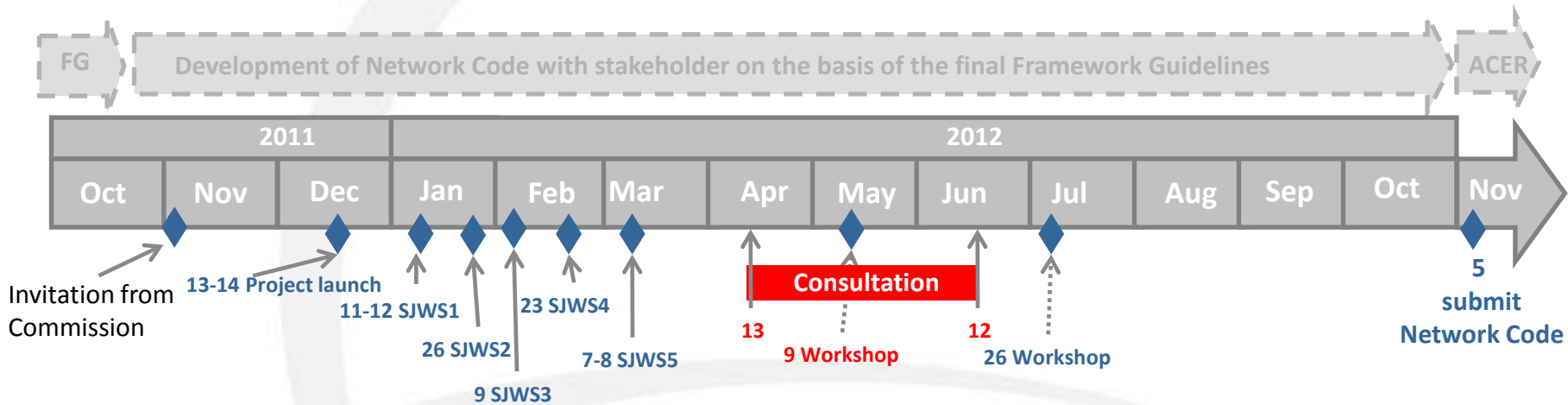
CAM NC – The Stakeholders' View



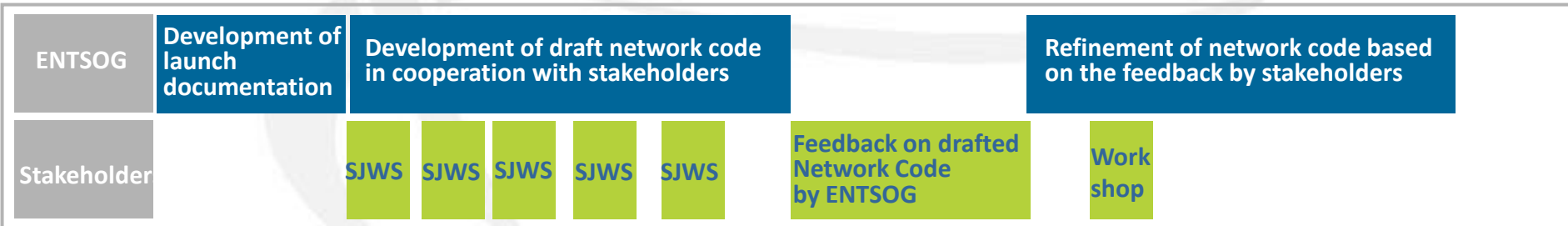


Balancing code

Balancing Network Code project timeline

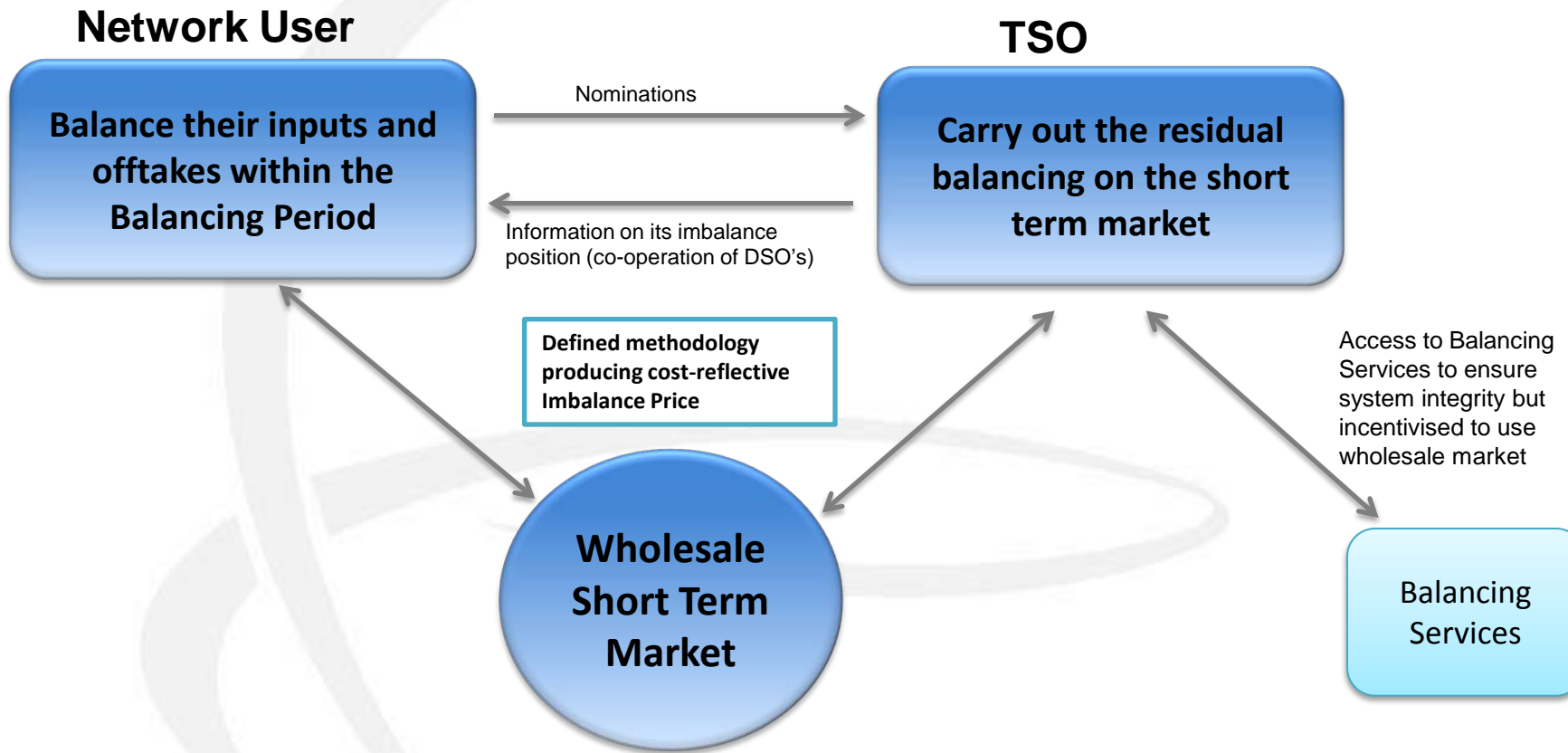


Main activities of ENTSOG and stakeholders during BAL NC development phase



Critical role for stakeholders in this stage

“Balancing Target Model”

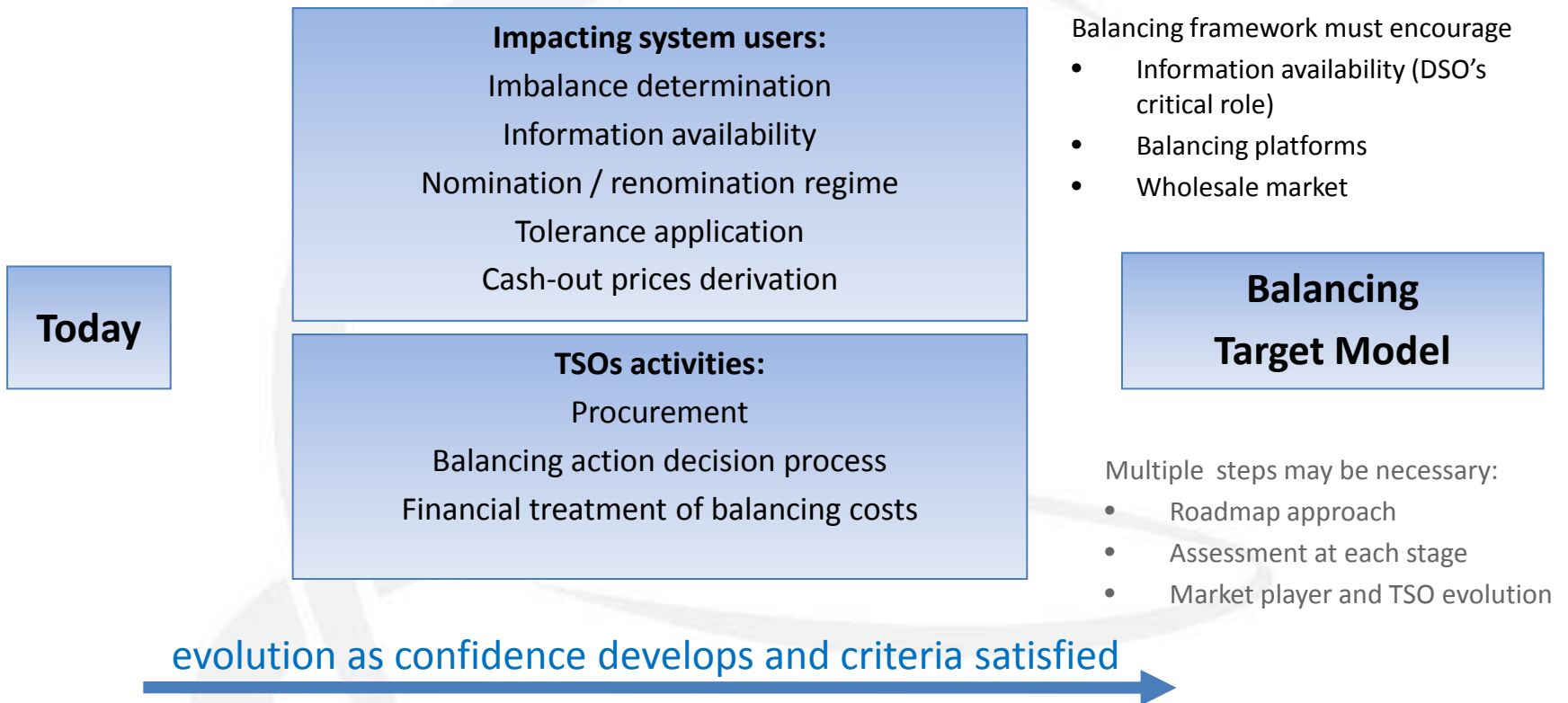


... the focus is on short term wholesale market and hub liquidity

Balancing Network Code - Contents



Transition – to deliver a properly functioning regime



Aiming towards a balancing target model requires adaptation and change for both network users and TSOs

Conclusions

- ENTSOG up and running fast
- Paper (codes/guidelines) must be turned into concrete actions
- CAM code awaits ACER opinion
- Balancing code
 - Consultation closes 12 June
 - Early ACER feedback helpful
- ENTSOG implementation role to be defined



fair partner to all
