# ERGEG workshop on CAM & CMP Brussels, 02/02/2010



## **European Federation of Energy Traders**

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# **EFET** general view



- EFET supports a harmonised approach to capacity allocation and congestion management
- We encourage the allocation through auction mechanisms, although its success is highly dependent on the definition of this process and the underlying products
- Key to the process is to incentivise the maximisation of firm primary capacity and allow capacity bookings to match the needs of market parties
- CAM and CMP are integrated issues that cannot be drafted or consulted on separately
- Market consultation (on guidelines and network codes) is crucial to determine market needs and possible impact
- EFET will respond to both proposals, but requires more clarity on some issues before it can do so

## **Definitions**



## Long term entry capacity

- What is ERGEGs definition?
- Does it facilitate investment and allow market parties to match the capacity product with their own assets and contracts?

## 'Proper' consultation

- What is ERGEGs definition?
- Only when definition and principles are included in the guidelines can the market be ensured of a clear and harmonised process of consultation

#### Combined & bundled products

- If the NRAs have decided to disallow splitting of entry and exit products (as allowed by the guidelines), what is the difference between the two products?
- How does ERGEG envisage dealing with interconnectors (IUK, BBL, Irish interconnector)? A bundled product for each end of the pipeline, or one bundled product for the whole pipe, including both IPs?

### **Process**



#### Consultation

- All relevant issues that change the way the market operates should be consulted on, including at least the Guidelines and Network Codes
- How will ERGEG ensure 'proper' consultation on the CMP issues?
  Can the separate approach guarantee an integrated solution for both CAM and CMP?

#### Guideline Scope

 Clarification needed on the application to interconnection points to other points on the national grids than between two MSs (practical examples of what does and does not fall under the guidelines)

# **Design of products & principles**



- Allocation of new and existing capacity
  - Will the allocation be integrated or separate for existing and new capacity?
- Auction design
  - Key criteria (price setting, incentives, tariff stability, etc)
  - Criteria different for different capacity products?
  - Which body decides on these criteria?
  - How does ERGEG/ACER oversee these?
- More than 2 systems at one IP
  - How will this be dealt with in practice?

# **Impact**



- Existing contracts
  - •Which contract features does ERGEG believe will need to be adapted?
  - Does this include bundling of capacity?
- Limitation of re-nomination rights
  - Has ERGEG conducted an impact assessment on the proposed measure?
  - Will this be / is this publicly available?





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