

## Guideline on a day-ahead capacity allocation mechanism at the Austrian/Italian border

### 1. Subject matter

This Guideline sets forth provisions regarding a day-ahead capacity allocation mechanism for the coordinated allocation of capacity at the interconnection point at the Austrian-Italian border, in early application of some of the CAM Network Code provisions. It defines a standardised capacity allocation mechanism in the form of an auction procedure, including the underlying Daily Capacity Products to be offered and the description of how cross-border capacity will be allocated in a coordinated and bundled manner. Further, this guideline sets out how the concerned transmission system operators (TSOs) shall cooperate in order to facilitate capacity sales, having regard to general commercial as well as technical rules related to capacity allocation mechanisms. Unless otherwise provided in the present guideline, Austrian and Italian regulations and market rules remain applicable to the TSOs concerned.

Autorita' per l'Energia Elettrica e il Gas and E-Control agree to jointly monitor and evaluate the application of the present joint guidelines and agree on any necessary adjustment to it where appropriate, in line with the CAM Network Code and Congestion Management Guidelines provisions.

The provisions of this guideline are to be implemented starting with April 1<sup>st</sup>, 2013.

### 2. Definitions

Words and expressions set out herein shall have the meaning given to them in the Regulation 715/2009 and Directive 2009/73/EC save where otherwise provided. For the purpose of this guideline, the following additional definitions shall apply:

- (a) 'TAG capacity' means the transportation capacity, firm or interruptible, of the TAG system at the Interconnection Point.
- (b) 'SRG capacity' means the transportation capacity, firm or interruptible, of the Rete Nazionale di Gasdotti at the Interconnection Point.
- (c) 'Capacity Contract' means a transportation contract between a TSO and a Registered Network User. For SRG, the capacity contract is the Codice di Rete approved by the Autorita' per l'Energia Elettrica e il Gas pursuant to art. 24, sub-paragraph 5 of decree law no. 164 of 23rd May 2000; for TAG the capacity contract refers to the general terms and conditions for cross-border transports approved by E-Control.
- (d) 'Daily Capacity Product' means the SRG capacity and a corresponding TAG capacity for a single gas day, which may be applied for, in a given amount, by a registered network user.
- (e) 'Framework Guideline' means the ACER Framework Guidelines on Capacity Allocation Mechanisms for the European Gas Transmission Network dated 3 August 2011.

- (f) 'Guideline' means this guideline.
- (g) 'Interconnection Point' means the point of the Austrian-Italian border where the SRG and TAG systems are connected.
- (h) 'CAM Network Code' means the network code on capacity allocation mechanisms in the version published by ENTSOG on 6 March 2012.
- (i) 'NRAs' means Autorità per l'Energia Elettrica e il Gas and Energie-Control Austria.
- (j) 'Registered Network User' means a network user that has acceded to and is compliant with all applicable legal and contractual requirements that enable him/her to book and use the Daily Capacity Product within the booking platform referred in paragraph 3.
- (k) 'SRG' means Snam Rete Gas S.p.A.
- (l) 'TAG' means Trans Austria Gasleitung GmbH.
- (m) 'Technical Capacity' means the technical capacity as defined in article 2 of the Regulation.
- (n) 'TSOs' means SRG and TAG.
- (o) 'The Regulation' means regulation (EC) No 715/2009 – together with its Annex I as modified by Commission Decision 24 August 2012 - of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing regulation (EC) No 1775/2005.

### **3. Booking platforms**

- 3.1. TSOs shall agree on a joint booking platform along the following rules.
- 3.2. The booking platform shall provide the rules and processes for the offering and allocation of a Daily Capacity Product, according to the rules laid out in this Guideline.
- 3.3. Access to the booking platform is open to all Registered Network Users. Registered Network Users shall comply with applicable terms and conditions of the Capacity Contracts of the TSOs as from the time the capacity is contracted.
- 3.4. TSOs shall take the necessary steps towards applying the rules of this Guideline. This can be achieved by offering capacity via, for example, the following:
  - (a) using already existing booking platforms;
  - (b) one transmission system operator or an agreed party offering the capacity on a platform including, where necessary, acting on behalf of the TSOs towards the Registered Network Users; or
  - (c) establishing a joint, anonymous, web-based booking platform.
- 3.5. The booking platform is organised and managed in a transparent and non – discriminatory way and must comply with the relevant national provisions.
- 3.6. TSOs shall provide secondary market functionalities to allow registered network users to offer and trade their unused SRG and/or TAG capacities.

- 3.7. As soon as possible TSOs shall make available to network users secondary trading functionalities enabling also the trading of bundled capacities.
- 3.8. Depending on the implementation of the necessary IT solutions, the functionalities described in 3.7 can be implemented even after 1 April 2013.

#### **4. Capacity on offer**

- 4.1. The capacity to be offered in both directions by TSOs within the booking platform as bundled firm Day-ahead transportation capacity shall be, each day, determined as the common minimum available capacity between the SRG and TAG and shall include capacity arising from the applicable congestion management provisions.
- 4.2. Only if firm bundled capacity is not available or sold out day-ahead TSOs offer, each day, on the booking platform an interruptible bundled day-ahead Daily Capacity Product.
- 4.3. The capacity to be offered on the booking platform as an interruptible bundled Daily Capacity Product at the Interconnection Point shall be equal to the minimum between SRG and TAG capacity that is expected to be unused according to a methodology defined by the TSOs taking account nomination at the interconnection point for the relevant day, if available at the moment of the offer. This common methodology shall be agreed between NRAs.
- 4.4. TSOs shall publish the amounts of capacity on offer before the start of the auction process.
- 4.5. If interruptible bundled Daily Capacity Product is offered, this shall not be detrimental to the amount of firm bundled Daily Capacity Product on offer.

#### **5. Allocation of Daily Capacity Products**

- 5.1. For the allocation of Daily Capacity Products, the criteria defined in paragraph 4.7., with the exception of points 5), 6) and 7), and paragraph 4.11 of the CAM Network code and the following shall apply:
  - (a) the exact timescales applied for the auctions, submission, withdrawal and amendment of bids shall be detailed in the regulation of the Platform;
  - (b) in the case that allocated interruptible capacity is interrupted, the clearing price and relevant transportation fees are payable *pro quota* and *pro rata temporis* taking into account non-interrupted capacity.
- 5.2. The timing of the auctions will follow the timing set in the CAM Network code.

#### **6. Allocation of TAG and SRG Capacity**

- 6.1. TSOs shall allocate to each successful Registered Network User the amount of SRG and TAG capacity corresponding to their successful bid(s).
- 6.2. The relevant terms and conditions of the Capacity Contracts of the concerned TSO as from the time the capacity is contracted, including the provisions regarding the tariffs applicable to daily capacity and recovery of technical consumption, shall apply for the TAG and SRG capacity allocated according to 6.1 above.

## **7. Revenues**

- 7.1. The revenues from the reserve price of bundled capacity shall be attributed to the TSOs proportionally to the reserve prices of their capacities in the bundled capacity. The revenues from the auction premium from bundled capacity above the reserve price shall be split according to agreement between the TSOs, approved by the relevant national regulatory authority. In the case no agreement is concluded before the auction, the revenues from the auction premium from bundled capacity shall be attributed to the TSOs in equal proportions and shall be used according to the decision of the relevant National Regulatory Authority.
- 7.2. TSOs revenue shortfall that might emerge as a consequence of the application of these guidelines will be recognized through the application of specific correction factors to be considered in the tariff determination.
- 7.3. Network users are entitled to surrender contracted firm capacity, also on a day-ahead basis, with the exception of capacity products with duration of a day and shorter pursuant to point 2.2.4 of Annex I to Regulation (EC) No 715/2009. The network user shall retain its rights and obligations under the capacity contract until the capacity is reallocated by the TSO and to the extent the capacity is not reallocated by the transmission system operator. Once the network user has surrendered the capacity, the rights under the capacity contract may only be exerted by the network user after the auction to the extent the capacity is not reallocated. The network user who has surrendered capacity retains its original obligations to pay the capacity but it is entitled to receive back an amount equal to the auction reserve price multiplied by the surrendered capacity which is reallocated by the TSOs according to paragraph 4.1. If several shippers surrender capacities for a particular day, the capacities will, in the case of oversupply, be resold on a pro-rata basis. The pro-rata rule for reallocating the surrendered capacity shall apply in an interim period until 1 October 2013. TSOs shall apply the rule recommended by ACER for reallocating the surrendered capacity as of 1 October 2013.
- 7.4. The provisions of paragraph 7.3 are without prejudice to the possibility of each NRA to entitle the network user who has surrendered capacity to receive an additional amount up to the respective proportion of the auction premium according to paragraph 7.1 multiplied by the surrendered capacity which is reallocated by the TSOs according to paragraph 4.1.

## **8. Management of interruptible capacities**

- 8.1. For the management of interruptible capacities allocated according to this Guideline, the criteria of paragraph 6.2, 6.3, 6.4 points 1) and 2), and 6.5 of the CAM Network Code shall apply.