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Vattenfall's response to the BBL consultation on CAM and CMP implementation

Vattenfall welcomes the opportunity to provide our views on the implementation of the gas network codes CAM and Balancing, as well as the CMP guidelines.

Our answers to the questions stated in the consultation:

- **Do you agree that the proposals are compliant with the Network Code on CAM?**

Yes, Vattenfall has not signalled any lack of compliance with the NC on CAM. However, we trust the regulatory authorities will ensure this also.

- **Do you agree that the proposals are compliant with the CMP Annex?**

Yes, all proposals appear to be in line with the CMP annex. However, we trust the regulatory authorities will ensure this also.

- **Do you agree that the quantity of capacity to be set aside for short term auctions defined in section 2.3 is appropriate?**

As we have mentioned throughout the CAM process, Vattenfall strongly supports a set aside of capacity for the short term, especially when tariffs for long term capacity products are proportionally lower than for short term capacity. The higher the tariff difference (or multiplier and/or seasonal factor), the higher the set aside should be, to ensure the cheaper capacity products are not all bought and lead to contractual congestion.

- **Do you support single-sided nominations being accepted for unbundled capacity if the same entity owns the capacity on both sides?**

Vattenfall supports the option of single sided nominations, in case of unbundled capacity. However, it would be practical, in the case of ownership of capacity on both sides, to also allow two-sided nominations.

- **Do you agree that surrendered capacity that is not reallocated in an auction is not automatically rolled forward to future auctions?**

Yes, as the capacity (and accompanying payment obligations) remain with the market party, it is important that this market party obtains the full rights to use this capacity. Automatic inclusion in another auction decreases the rights of the market parties, without providing decreased obligations. Therefore, we strongly believe the market party should have the opportunity to decide to include surrendered but unsold capacity in the next auction.

- **Do you have any other feedback on the Concept Document?**

Regarding section 3.1, Vattenfall opposes the proposed maximum buy-back price, as a negative consequence could be that insufficient capacity is offered when a buy-back is needed and as a result all

market players suffer from a required buy back, e.g. a pro rata scale down of firm capacity. This is disastrous for the ability of market players to fulfil their obligations to their customers or counterparts and would decrease trust in the BBL as a firm route or product. When there is no maximum buy-back price, it is much more likely that one or some market players will voluntarily sell back its capacity. If the financial risk of an uncapped buy-back price is deemed too high by the TSOs, the OBB should be avoided altogether, or an alternative mechanism must be proposed for consultation.

The text on page 14, under '*Setting aside capacity*', is ambiguous: "Of this 20% technical capacity that is set aside at the relevant IPs, 10% will be offered for the annual yearly capacity auctions for Y+1 to Y+5". This can be interpreted as 2% (10% of 20%) for the yearly capacity auctions for Y+1 to Y+5, instead of 10%. We ask for clarification of the exact set aside amounts or percentages.

The second graph about renomination on page 20 is the same as the first one. This needs to be changed.

We trust the BBL, GTS and NGG will take our comments into account when finalising the implementation of the NC CAM and NC Balancing as well as the CMP guidelines. Please do not hesitate to contact us in case of any questions.

Kind regards,

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