

Bundled Capacity: Principles of Allocation and Use

Warsaw, 13 May 2014

the system, that connects



CAM – Capacity Allocation Method

Mechanism for allocating capacity in gas transmission systems:

- Auction procedure in force with respect to relevant inter-system connection points in the Union;
- Standard cross-border products with respect to capacity that is offered and allocated.

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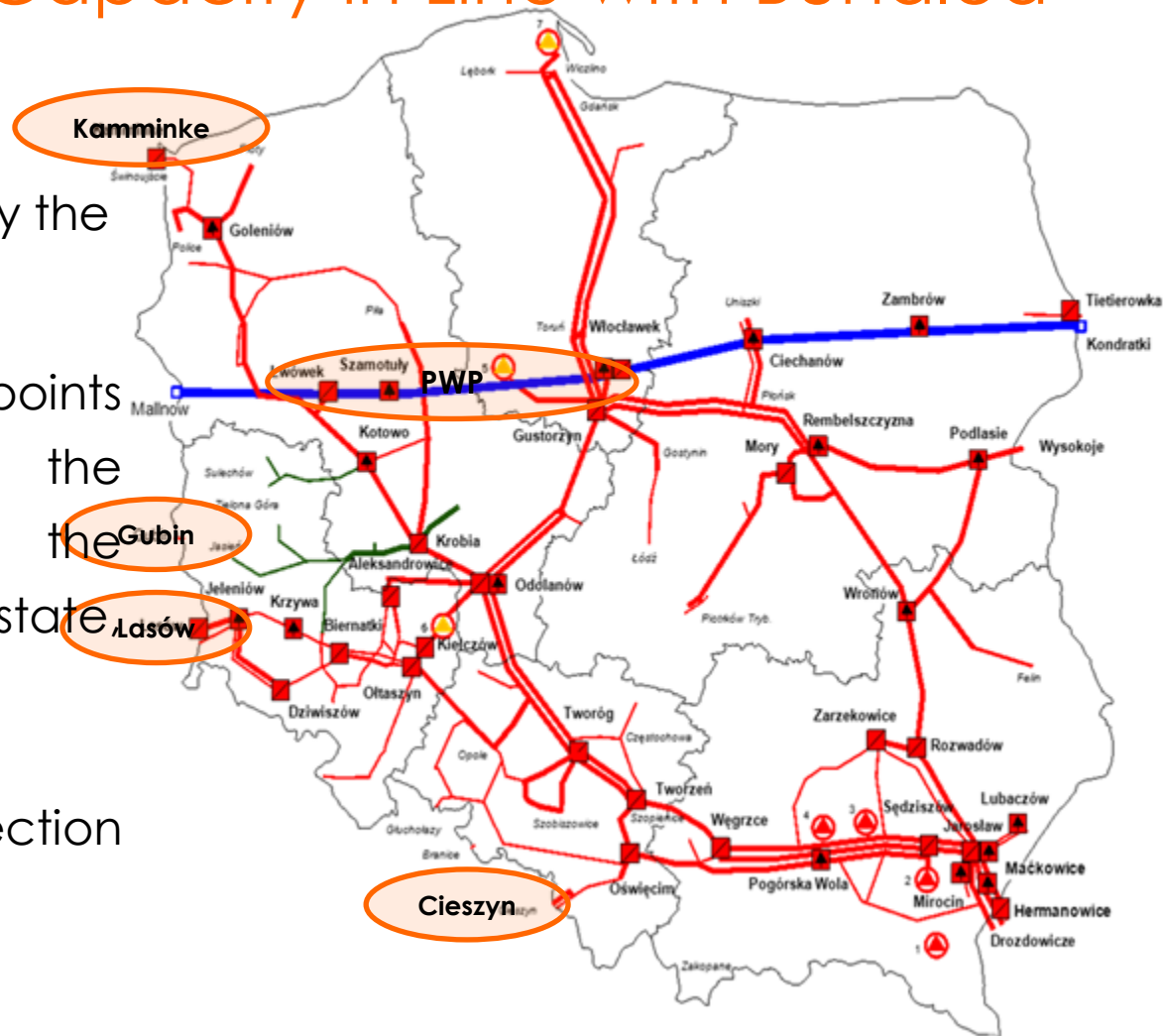
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Points Where the Combined Operator (OSP) Grants Access to Capacity in Line with Bundled Principles

Capacity in line with bundled principles is made available by the OSP:

- At physical entry and exit points at connection points to the transmission system of the European Union member state and
- At a Point of Interconnection (PWP),



Bundled Capacity

- **Capacity on a firm basis in line with bundled principles is made available first and foremost;**
- **The scope of offered** capacity on a firm basis in line with bundled principles **is agreed upon with the interoperating system operator;**
- Capacity on a firm basis in line with bundled principles is granted by the OSP within the framework of a nondiscriminatory and transparent procedure as described in the Transmission Network Code (IRiESP) -> **new item 7.5. IRiESP.**

Allotted Capacity

To the extent to which capacity is not made available in line with bundled principles, the allocation of capacity is conducted within the framework of auction procedures for products in line with non-bundled principles.

Information on Products Made Available within the Framework of Capacity Allocation in Line with Bundled Principles

- **Annual Product** – A product within the framework of which capacity is made available for a period of one gas year in equal quantities for all hours for the given gas year;
- **Quarterly Product** – A product within the framework of which capacity is made available for a period of one quarter in equal quantities for all hours for the given quarter;
 - Successive quarters of the gas year start, respectively:
October 1, January 1, April 1, and July 1.
- **Monthly Product** – A product within the framework of which capacity is made available for a period of one gas month during the gas year in equal quantities for all hours;
 - Successive months start on the 1st day of each and every gas month.

Information on Products Made Available within the Framework of Capacity Allocation in Line with Bundled Principles

- **Daily Product** – A product within the framework of which capacity is made available for a period of one gas day;
 - Beginning with November 2015, the offering of bundled capacity in line with bundled principles is planned.
- By June 2014, the OSP shall undertake actions aimed at **agreeing on procedures with the relevant Interoperating System Operators (OSWs) establishing capacity quantities within the framework of the over-subscription mechanism** so that capacity offered within the framework of the over-subscription mechanism **is offered jointly by the OSP and OSW as bundled capacity.**

Principles for Allocating Capacity in Line with Bundled Principles

As a result of **a capacity allocation procedure jointly conducted** by interoperating system operators, at both intersystem connection points and Point of Interconnection (PWP), **there is an allocation for the same entity in both systems:**

- Of the same amount of capacity (contracted capacity),
- Within the framework of the same product (type and duration), and
- At the same time (date of transmission service performance within the framework of allocated capacity).

Principles of Allocation for Newly Built or Expanded Points

Capacity for newly built or expanded physical entry and exit points at connections with the transmission systems of their operators is made available by the OSP:

- Within the framework of nondiscriminatory and transparent Open Season procedures;
- To an extent as agreed upon with the OSW (including allocation in line with bundled principles);
- In line with terms defined each and every time by the rules and regulations as approved by the President of the URE.

Allocation of Capacity in Line with Bundled Principles: IRiESP Draft Changes

- **The following have been foregone in the Rules and Regulations** for allocating capacity;
- The draft changes provide for a new **item in the IRiESP defining principles for allocating capacity in line with bundled principles;**
- **GAZ-SYSTEM shall only publish detailed information** for each auction, including capacity quantity, auction date, and Auction Platform where the auction for capacity in line with bundled principles shall be conducted jointly with the OSW.

Justification for Changes

➤ **Introduction into the wording of the IRiESP of provisions of the rules and regulations** pursuant to which GAZ-SYSTEM has allocated bundled capacity in collaboration with interoperating system operators to date;

➤ Capacity auctions in line with bundled principles;

-> Early implementation of CAM provisions

(Commission Regulation (UE) No. 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulations (EC) No. 715/2009 of the European Parliament and of the Council)

Justification for Changes

- **Transfer into the IRiESP of solutions from implemented drafts** allocating bundled capacity;
- **Unifying principles** in line with which GAZ-SYSTEM will allocate capacity in line with bundled principles;
- **Transparency and familiarity with principles for System Users** who would like to take part in bundled capacity auctions.

Granting Allocating Capacity Pursuant to Bundled Principles: General Principles

Capacity in line with bundled principles is provided by the OSP:

- Within the framework of a joint auction conducted on the Auction Platform by the OSP and OSW
 - > The auctioning of capacity (contracted capacity) in line with bundled principles shall be conducted pursuant to the Auction Platform rules and regulations.
- In line with the auction calendar as published by the OSP.

Information Relating to Products on the OSP Web Pages

- **Name** of the physical entry or exit point for each capacity shall be made available within the framework of the auction;
- **Name of the OSW** making available its capacity through the given auction, jointly with the OSP;
- **Information on products** made available within the framework of the auction as well as **capacity quantity** made available for each and every product;
- **Information on the Auction Platform**, where the capacity in line with bundled principles shall be auctioned;
- Auction date;
- **Information regarding the currency** that will be obligatory in the given auction;
- Information regarding small and large **changes to the S_{OS} value**;
- Information regarding the **S_{OS} value subdivision ratio** as achieved as a result of the auctioning of each capacity product in line with bundled principles between the OSP and OSW.

Current Information on Auctions: Where? What? How?

The screenshot shows the GAZ-SYSTEM S.A. website. The browser address bar displays 'www.gaz-system.pl/stefa-klienta/system-przesylowy/aukcje/'. The page features a navigation bar with links like 'O firmie', 'Centrum prasowe', 'Strefa klienta', 'Przetargi', 'Odpowiedzialny biznes', and 'Kontakt'. The 'Strefa klienta' section is highlighted, and the 'Aukcje' link is circled in orange. The main content area shows 'Aukcje' as a sub-section under 'Przydział przepustowości' (Capacity Allocation). The 'Aukcje' section is also circled in orange. The page includes a navigation bar, a header with logos, and a main content area with various links and information.

Auction Calendar: Where? What? How?

GAZ-SYSTEM S.A. Kalendarium aukcji

www.gaz-system.pl/strefa-klienta/system-przesylowy/aukcje/kalendarium-aukcji/

GAZ system

25 lat wolności

top employer POLSKA 2014

NAJLEPSZY PRACODAWCA 2013

O firmie

Usługi

Taryfa

Gaz ziemny. Gazociągi » Strefa klienta

Strefa klienta

Krajowy system przesyłowy

Ustandaryzowane publikacje...

Przydział przepustowości

» Aukcje

» Kalendarium aukcji

Wyniki aukcji

Dokumenty do udziału w...

Instrukcja obsługi aukcji...

Rynek Usług Bilansujących

Zdolność przesyłowa

Katalog punktów systemu

Katalog stref systemu

Mapa systemu przesyłowego

Parametry charakteryzujące...

Przesył w liczbach

Planowane prace w systemie...

Rynek wtórny

Kalendarium aukcji poczetek 2014.xlsx

www.gaz-system.pl/fileadmin/pliki/system-przesylowy/aukcje/Kalendarz_aukcji_2014.pdf

Strona: 1 z 6

80%

GAZ system

Kalendarium aukcji 2014

data aktualizacji: 6 maj 2014

Data	Rodzaj produktu	Rodzaj punktu	ID punktu	Nazwa punktu	Okres, na który udostępniony jest produkt	Oferowana przepustowość [m3/h]	Oferowana zdolność [kW/h]	Duża zmiana Sot [PLN/(m3/h)]	Mala zmiana Sot [PLN/(m3/h)]	Uwagi
19 maj 2014	produkt miesięczny / na zasadach ciągłych	FPWE _{OSP}	370001	Cieszyn	czerwiec 2014	4 810	54 022	0,001500	0,000300	-
19 maj 2014	produkt miesięczny / na zasadach ciągłych	FPWE _{OSP}	272411	Lasów	czerwiec 2014	2 875	32 056	0,001500	0,000300	-
19 maj 2014	produkt miesięczny / na zasadach ciągłych	FPWE _{OSP}	572407	Wysokoje	czerwiec 2014	253 415	2 855 987	0,001500	0,000300	-
19 maj 2014	produkt miesięczny / na zasadach przerywanych	FPWY _{OSP}	402402	Hermanowice k. Ukraina	czerwiec 2014	167 000	1 887 100	0,000800	0,000160	-
19 maj 2014	produkt miesięczny / na zasadach ciągłych	FPWY _{OSP}	740001	Kamminke	czerwiec 2014	15 000	167 100	0,000800	0,000160	-
19 maj 2014	produkt miesięczny / na zasadach przerywanych	Przesył zwrotny	202411	Lasów rewers	czerwiec 2014	180 000	2 007 000	0,000160	0,000032	-
19 maj 2014	produkt miesięczny / na zasadach przerywanych	Przesył zwrotny	300001	Cieszyn rewers	czerwiec 2014	15 800	177 434	0,000160	0,000032	-
19 maj 2014	produkt miesięczny / na zasadach ciągłych	PWE	870002	SGT Malinow Rewers	czerwiec 2014	206 367	2 130 122	0,000175	0,000035	Przepustowość oferowana w aukcji wyrażona jest w m3 GOST/h. Na punkcie Malinow Rewers świadczona jest usługa wirtualnego przesyłu zwrotnego na podstawie pkt 5.3 obowiązującej Taryfy SGT
19 maj 2014	produkt powiązany miesięczny / na zasadach ciągłych	PWY	800034	SGT Punkt Wzajemnego Połączenia (PWP)	czerwiec 2014	206 367	2 130 122	0,001689	0,000338	Przepustowość oferowana w aukcji wyrażona jest w m3 GOST/h. Oferowana przepustowość w Punkcie Wzajemnego Połączenia ID 800034 w SGT jest powiązana z przepustowością w KSP w Punkcie Wzajemnego Połączenia ID 172434 i w przeliczeniu na warunki normalne wynosi 192 268 m3/h.
19 maj 2014	produkt miesięczny / na zasadach ciągłych	PWE	870001	SGT Kondratki	czerwiec 2014	15 000	154 830	0,000874	0,000175	Przepustowość oferowana w aukcji wyrażona jest w m3 GOST/h.
2 czerwiec 2014	produkt kwartalny / na zasadach ciągłych	FPWE _{OSP}	272411	Lasów	lipiec - wrzesień 2014	3 333	37 165	0,001500	0,000300	-
2 czerwiec 2014	produkt kwartalny / na zasadach ciągłych	FPWE _{OSP}	572407	Wysokoje	lipiec - wrzesień 2014	253 415	2 855 987	0,001500	0,000300	-
2 czerwiec 2014	produkt kwartalny / na zasadach przerywanych	FPWY _{OSP}	402402	Hermanowice k. Ukraina	lipiec - wrzesień 2014	167 000	1 887 100	0,000800	0,000160	-
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Przepustowość oferowana w aukcji wyrażona jest w m3 GOST/h.

System User Terms

Terms governing a System User who wishes to take part in the auctioning of capacity in line with bundled principles

- The System User must meet conditions as defined in the IRiESP and Transmission Contract, the network code or other equivalent OSW document, and in the rules and regulations of other equivalent Auction Platform document;
- The System User must be approved for the Auction Platform by the OSP and OSW.

User System Bid

The bid submitted by the System User :

- Replaces the capacity allocation application.
- The System User who has purchased capacity in line with bundled principles (as a result of the auction) shall conclude two separate transmission contracts – with the OSP and the OSW.

The contract relating to capacity in the OSW system shall be concluded pursuant to the network code of the given OSW or other equivalent document regulating principles for allocating capacity and concluding contracts by the OSW.

Fee Rates for the Management of Contractual Restrictions (S_{os})

- The S_{os} value for capacity in line with bundled principles at the closing of the auction round shall serve as the basis for calculating fees relating to contractual restrictions;
- Following the closing of the auction, the S_{os} value achieved as a result of the auctioning of capacity in line with bundled principles **shall be converted by the OSP into PLN at the average EUR/other currency exchange rate as defined** for the product and established by the National Bank of Poland and announced in the daily table for the date on which the auction is closed;

Fee Rates for the Management of Contractual Restrictions (S_{OS})

- If, pursuant to the Auction Platform rules and regulations, the S_{OS} value for the life of the product is defined during the auction, then the **S_{OS} value for the bidding round in which the auction is closed shall be converted in units of time [t] by the OSP.**

- For example, for the January–March 2014 product

S_{OS} (for the life of the product) = 20 000 EUR/m³/quarter

S_{OS} (for the unit of time) = 20 000/ 2 160 -> 9.2592 EUR/kWh/h
(EUR/kWh/quarter rate/ number of hours per quarter)

S_{OS} -> 9.2592 EUR/kWh/h - > 38.70 PLN kWh/h
(rate for May 12, 2014 1EUR -> 4.1797PLN kWh/h)

Fee Rates for Transmission Services as Stemming from the Tariff

- Prior to the commencement of the auction, the fee rate for transmission services as stemming from the Tariff for each of the capacity products in line with bundled principles shall be converted by the OSP, exclusively for the purposes of publication by the Auction Platform, into EUR/other currency as defined for the product at the average exchange rate as established by the National Bank of Poland and announced in the table on the date of the publication of the information.
- If, pursuant to the Auction Platform rules and regulations, the tariff rates for transmission services are published by the Auction Platform for the product life, not for unit of time, then the rate for transmission services as rendered within the framework of capacity product in line with bundled principles as stemming from the Tariff shall be converted by the OSP for the given product on the basis of the quantity of hours over the period during which the product is in effect.

Resale of Unused Capacity Allocated as a Result of an Auction of Capacity in Line with Bundled Principles

In the event of an intention to resell unused capacity allocated as a result of the auctioning of capacity in line with bundled principals:

- The System User **may resell such capacity simultaneously for both sides of the point**, to the same System User, in line with the unused capacity sales procedure,
- **The notification of the resale of capacity** shall be **forwarded to the OSP in parallel with the launching of the resale procedure with the OSW**, pursuant to the network code or other equivalent OSW document,
- (...)

Resale of Unused Capacity Allocated as a Result of an Auction of Capacity in Line with Bundled Principles

- (...)
- Prior to the forwarding of annexes modifying the capacity allocation, **the OSP, in conjunction with the OSW, shall confirm if** the System User to whom capacity in line with bundled principles is to be sold **meets formal requirement as defined in the network codes of the OSP or OSW** prerequisite to the concluding with them of a transmission contract relating to the resale of capacity in line with bundled principles,
- **In the event that** the OSP or OSW concludes **that the System User** to whom the capacity in line with bundled principles is to be sold **fails to meet formal requirements, the operators shall not agree to the resale.**

Foregoing Allocated Capacity in Line with Bundled Principles

In the event of the foregoing of allocated capacity received as a result of the auctioning of capacity in line with bundled principles:

- **The OSP, in conjunction with the OSW, shall undertake an effort to allocate the released capacity in line with bundled principles.**
- If the foregoing of the allocated capacity occurs at a time when, in light of deadlines defined in the auction calendar, it proves impossible to make available the released capacity in line with related principles jointly with the OSW, then the OSP shall make available the released capacity independently within the framework of products with a shorter life.

Thank you for your attention.

system, który łączy

