

Responses to CAM Network Code – second formal consultation on new or modified concepts

Consultation Response Sheet

Please complete the fields below and send via email using the subject title, “Response to the CAM NC consultation” to info@entsog.eu by 14 November 2011.

Name
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How would you describe your organisation?

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Association (please specify type) |
| <input type="checkbox"/> | End user |
| <input type="checkbox"/> | Network user |
| <input type="checkbox"/> | Trader |
| <input checked="" type="checkbox"/> | Other (please specify) – Electricity Generator |

In the questions below, ENTSOG would be grateful if respondents could clearly indicate their preferred option and provide a brief but **fully reasoned justification** for their choice. This applies equally whether you agree or disagree with any ENTSOG proposal as it is important that ENTSOG is able to extract the clear views of all respondents. If you do not respond to a question, ENTSOG will assume that you have no view on this issue.

Question 1 (Standard Capacity Products to be auctioned): which option do you prefer, and why?

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | Option 1: Quarterly only |
| <input checked="" type="checkbox"/> | Option 2: Integration of yearly product (Post consultation proposal) |

Please justify your choice. ENTSOG would particularly welcome any views on why the alternatives to your preferred option may not be technically feasible.

Endesa Ireland believes that a yearly product must be offered, ideally this would allow TSOs the flexibility to decide on the quantum of yearly capacity offered, with the approval of the relevant RAs.

Question 2 (Start date for yearly product): which option do you prefer, and why?

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Option 1: Yearly product starts on 1 st January |
| X | Option 2: Yearly product starts on 1 st October |

Please justify your choice. ENTSG would particularly welcome any views on why the alternatives to your preferred option may not be technically feasible.

An October start date would fit better with the dates for review of tariffs in the Irish market.

Question 3 (Auction algorithms: overall methodology): which option do you prefer, and why?

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Option 1: Multiple round ascending clock auction |
| <input type="checkbox"/> | Option 2: Single round volume based auction |

Please justify your choice. ENTSG would particularly welcome any views on why the alternatives to your preferred option may not be technically feasible.

Question 4 (Limitation of price steps): which option do you prefer, and why?

- | | |
|--------------------------|---|
| X | Option 1: Do not limit number of price steps (Post consultation proposal) |
| <input type="checkbox"/> | Option 2: Limit number of price steps |

Please justify your choice. ENTSG would particularly welcome any views on why the alternatives to

your preferred option may not be technically feasible.

Endesa Ireland considers that limiting price steps constitutes unnecessary intervention in auction design and price formation.

Question 5 (Minimisation of unsold capacity): which option do you prefer, and why?☐

Option 1: Minimise unsold capacity (Post consultation proposal)

☒

Option 2: Draft CAM NC proposal

Please justify your choice. ENTSG would particularly welcome any views on why the alternatives to your preferred option may not be technically feasible.

Endesa Ireland considers it preferable to roll any unused capacity forward to the next auction. To redistribute it in the manner proposed by Option 1 would be an unnecessary intervention.

Question 6 (Sunset clause: choice of default rule): which option do you prefer, and why?☒

Option 1: Maximum default rule with cap at technical capacity

☐

Option 2: "Partially unbundled" default rule

Please justify your choice. ENTSG would particularly welcome any views on why the alternatives to your preferred option may not be technically feasible.

If a default rule has to be chosen Endesa Ireland would favour the maximum default rule; a shipper should not stand to lose capacity by the operation of the default rule. See response to question 7 in this regard.

Question 7 (Sunset clause: further questions): Please provide any views, information or evidence in relation to the further questions raised by ENTSG in section F.2 regarding the sunset clause.

Endesa Ireland does not consider that bundled capacity on the basis of a single nomination is workable in practice. Given that shippers hold separate contracts (and therefore individual relationships) with each TSO there would need to be a mutual recognition of these contracts and, at a minimum, related shippers at each side of the interconnection point.

On this basis Endesa Ireland supports ENTSG's concerns regarding the legal feasibility of the sunset clause as well as its practicability.



Question 8 (Tariffs: split of auction premium from bundled products): which option do you prefer, and why?

☒ X

Option 1: Keep split of auction premium proportional to reserve prices as default (Post consultation proposal)

☐

Option 2: Split of auction premium into equal shares as default

Please justify your choice. ENTSG would particularly welcome any views on why the alternatives to your preferred option may not be technically feasible.

Endesa Ireland's preference would be that the split of auction premium be divided between the parties. Failing that it a split proportional to reserve prices is an acceptable default.