

# Intra-European International Connections



## **Logistic & Commercial Direction**

**Commercial Development and Clients  
Economic and Capacity Management**

May 2022





## **1. Capacity**

2. Auctions

3. CMPs

4. Annexes

# Enagás infrastructures in the Spanish Gas System

## International connections

- 11.000 km de gasoductos
- 6 plantas de GNL
- 3 almacenamientos subterráneos
- ⊠ 19 estaciones de compresión
- ⊠ 6 conexiones internacionales

### VIP Ibérico

S-P: 4.6 Bcm/y  
P-S: 2.6 Bcm/y

### VIP Pirineos

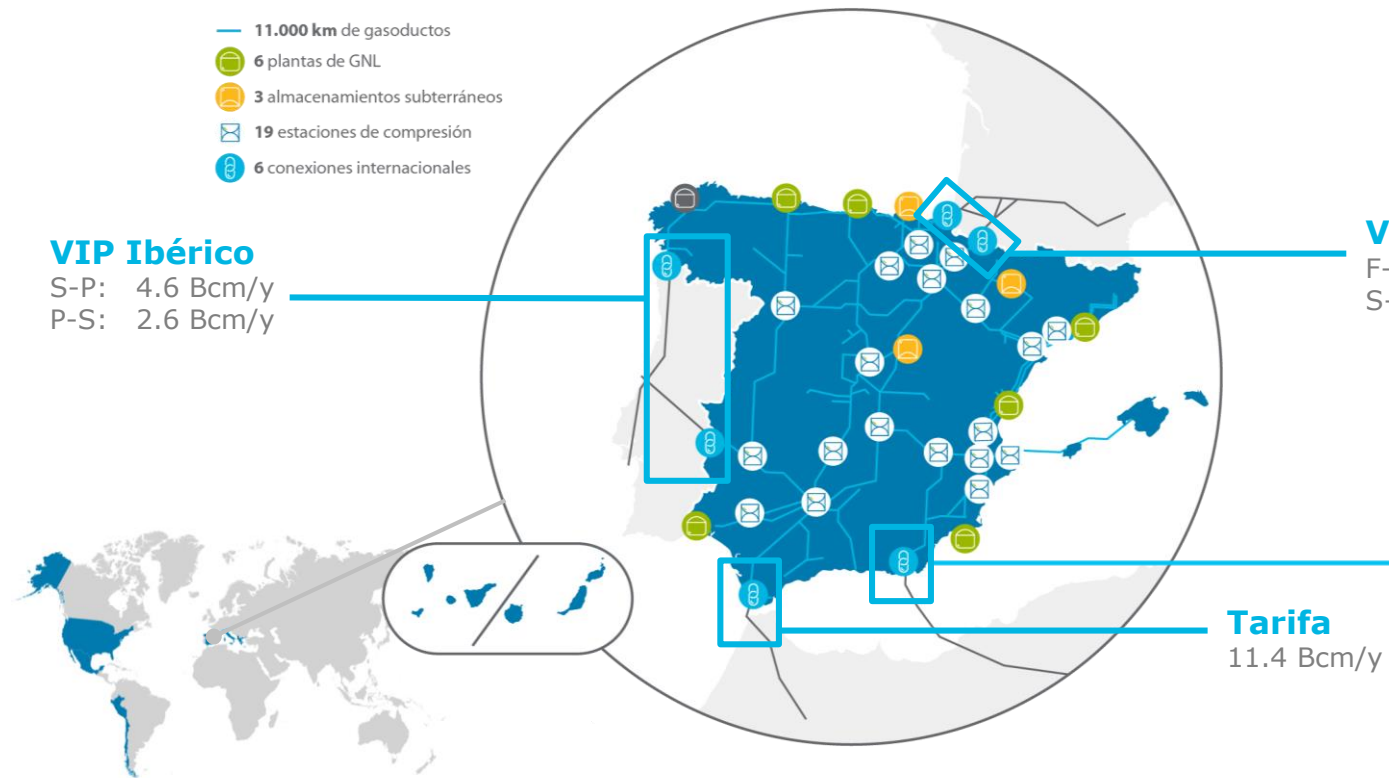
F-S: 7 Bcm/y  
S-F: 7 Bcm/y

### Almería

8.5 Bcm/y

### Tarifa

11.4 Bcm/y



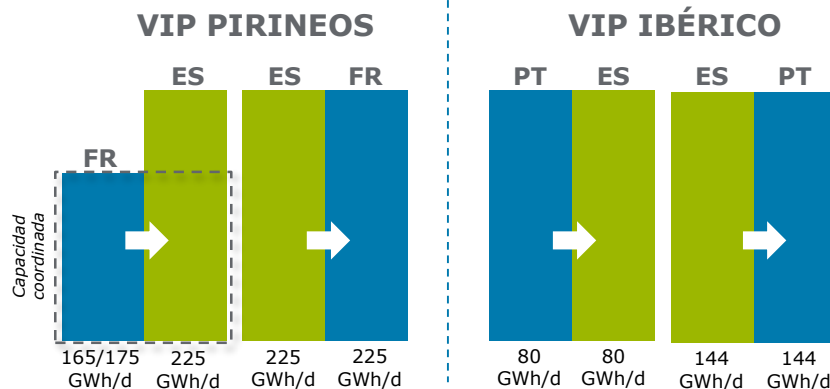
# Capacity at interconnection points within Europe

## Bundled Capacity vs Unbundled Capacity

The **TSOs** have the obligation to **offer the maximum technical capacity** and to **maximize the offer of bundled capacity**. This bundled capacity shall be allocated to the shippers in a single booking procedure.



### REGLAMENTO (UE) 459/ 2017 DE LA COMISIÓN

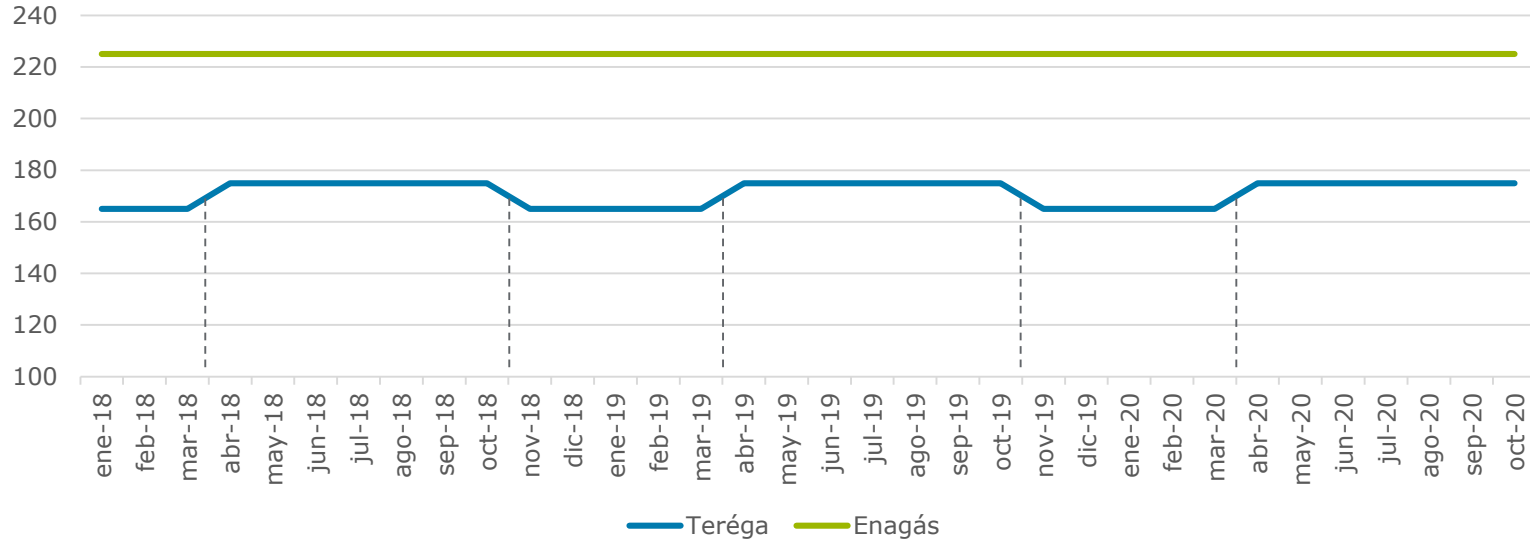


This means that, in VIP Pirineos entry to Spain, Enagás Transporte is offering an additional firm capacity of 60 GWh/d during summer months and 50 GWh/d during winter months.

# Capacity at interconnection points within Europe

## Technical capacity

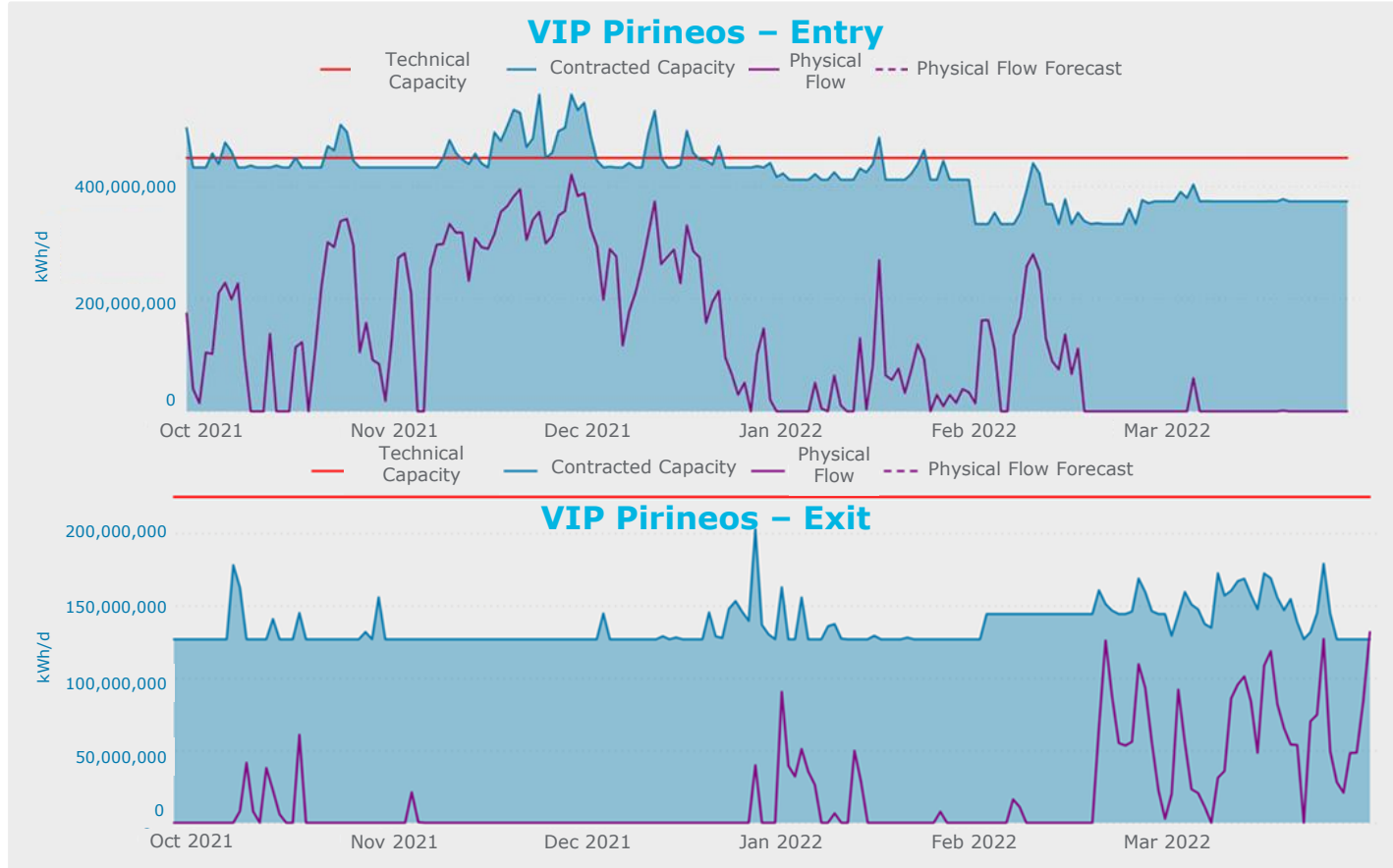
### VIP Pirineos Entry



The difference in the offered firm capacity between Teréga and Enagás is offered by Teréga as an interruptible unbundled product, that will be offered if 100% of his firm capacity is allocated.

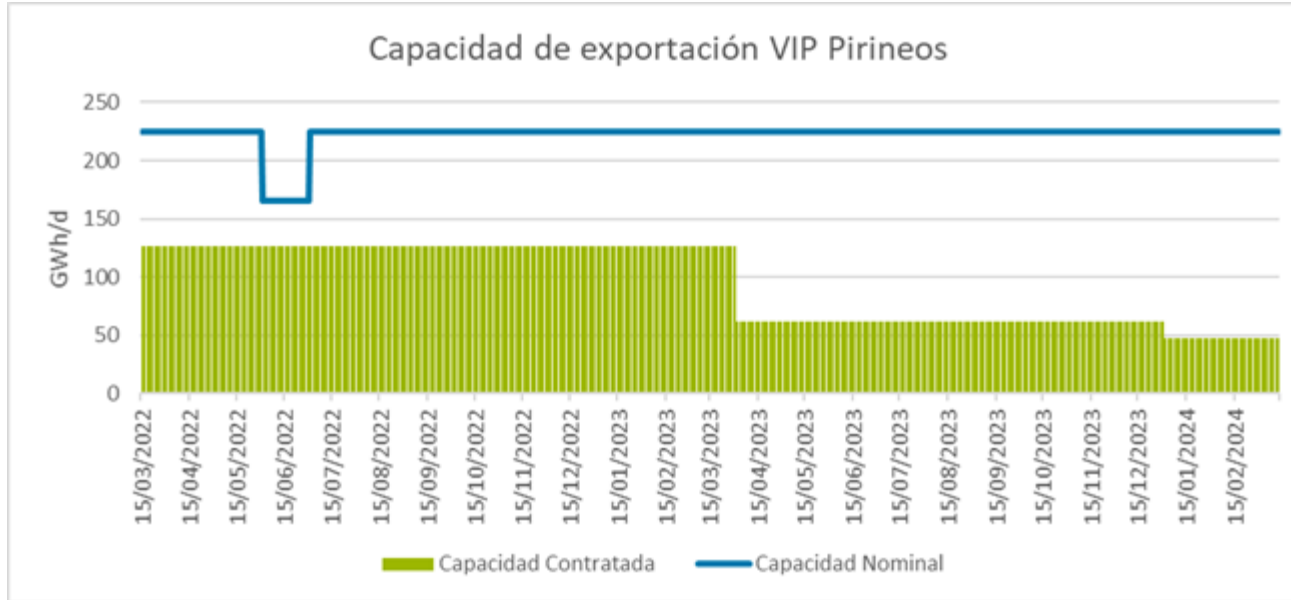
# Offered capacity at VIP Pirineos

## Contracting history



# Capacity at interconnection points within Europe

## Available export capacities in VIP Pirineos

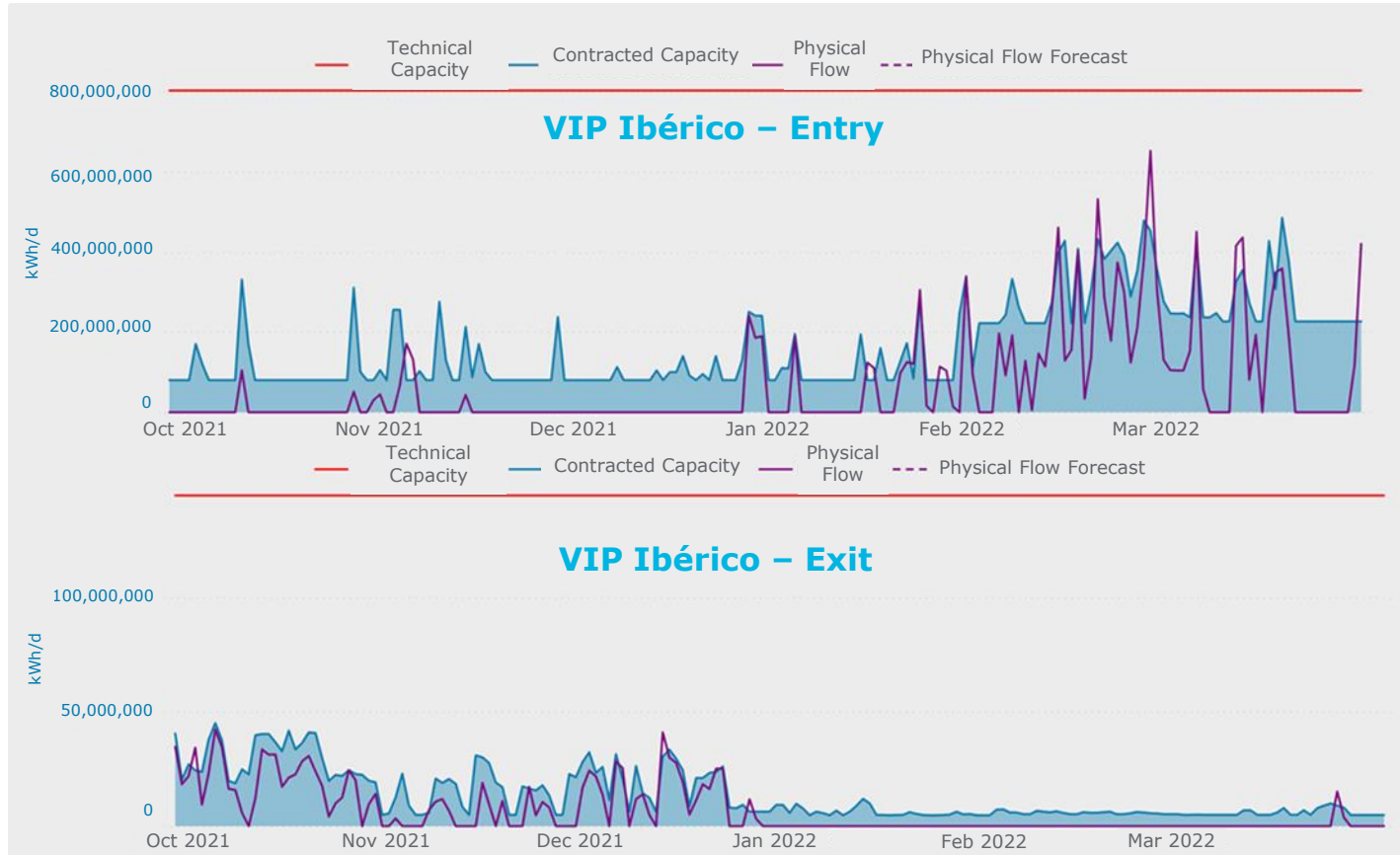


Source: [Enagás](#)

**Export capacity Spain-France (VIP Pirineos) of 225 GWh/d (7 bcm/y). There are 126 GWh/d contracted until April 2023 (56%), when capacity will be reduced to 61 GWh/d (21%)**

# Offered capacity at VIP Ibérico

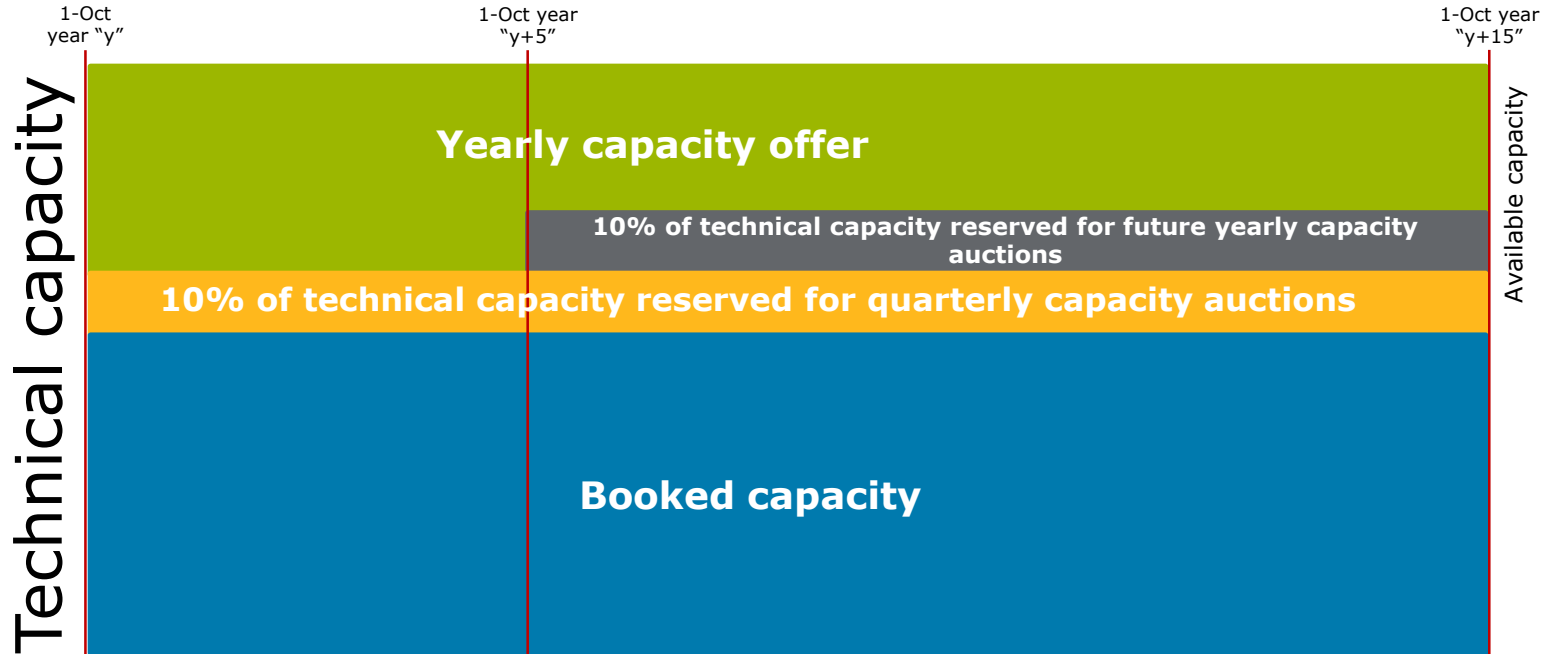
## Contracting history





# Firm capacity and interruptible capacity

## Yearly product



Once the yearly auction and the quarterly auction have passed, the available capacity will be offered in the monthly auction, and the capacity that was not allocated in the monthly auction will be reoffered to the market in the day ahead and within day auctions.

# Tariffs for the period October 2021 – September 2022

1.1 Peaje de entrada a la red de transporte. Los peajes de entrada a la red de transporte son los siguientes:

Punto de entrada	Término fijo por capacidad contratada. €/kWh/día) y año	Término variable por volumen (€/kWh)
CI Tarifa.	0,145520	0,000017
CI Almería.	0,132165	0,000017
VIP Pirineos.	0,096806	0,000017
VIP Ibérico.	0,167690	0,000017
GNL/LNG.	0,098953	0,000017
YAC Marismas.	0,135128	0,000017
YAC Poseidón.	0,139079	0,000017
YAC Viura.	0,072477	0,000017
BIO Madrid.	0,079464	0,000017
BIO La Galera (15.03A).	0,084605	0,000017
BIO Medina Sidonia (K07).	0,139149	0,000017
BIO Tudela (28A).	0,073167	0,000017
BIO Mascaraque (F25).	0,088053	0,000017
BIO Sagunto (15.11).	0,087561	0,000017
BIO Sevilla (F07).	0,128539	0,000017
AASS.	0,000000	0,000017

1.2 Peaje de salida de la red de transporte:

a) Los términos de salida de la red de transporte son los siguientes:

Punto de salida	Término fijo por capacidad contratada. €/kWh/día) y año	Término variable por volumen (€/kWh)
Salida Nacional.	0,204626	0,000017
GNL/LNG.	0,245862	0,000017
VIP Pirineos.	0,227243	0,000017
VIP Ibérico.	0,245714	0,000017
CI Tarifa.	0,282377	0,000017
AASS.	0,000000	0,000017

– Multiplicadores de aplicación los contratos de duración inferior a un año en las salidas de red de transporte, excepto salidas hacia redes locales:

Producto	Multiplicador
Trimestral.	1,20
Mensual.	1,30
Diario.	1,60
Intradiario.	3,80

entradas de la red de transporte:

Producto	Multiplicador
Trimestral.	1,20
Mensual.	1,30
Diario.	1,60
Intradiario.	6,10

# Tariffs for the period October 2021 – September 2022

## Example of a daily product

**VIP Ibérico exit tariff:** 0.245714 €/kWh/day/year

➔ However, PRISMA requires the tariff in **c€/kWh/h/period at 25°C**

- To convert to €/kWh/day/period, use the formula indicated in the Tariff Circular:

$$\left( \frac{M_{s,p,t} \times TC_{s,p}}{365} \right) \times D$$

Where M is the multiplier that will apply based on the duration of the product, D is the number of days the product lasts, s is the service, p is the corresponding connection point and t its duration.

$$\frac{1.6 * 0.245714}{365} \times 1 = 0.0010771$$

- To convert to €/kWh/h/period at 25°C, apply the following:

$$0.0010771 \times 24h \times 1.0026 = 0.0259$$

- To convert to c€/kWh/h/period at 25°C, multiply by 100, so that the resulting tariff is: **2.59**

# How to be a shipper in Spain: Registration process



## Steps in relation to Enagás...

**Power of Attorney** - specific authority to request and obtain certificates of electronic signatures.

**1** Request for **access to the SL-ATR and MS-ATR** at Enagás GTS

 <https://www.enagas.es/en/technical-management-system/>

**2** To **contract services** in **Enagás' infrastructures**.

**Electronic signature** of the **TPA Framework Contract** (Third Party Access) to the facilities of the System.

 <https://www.enagas.es/en/technical-management-system/gas-system-processes/authorisation/>

**3** To **operate in PVB**.

**Electronic signature** of the **PVB Framework Contract** (Virtual Balancing Point).

 <https://www.enagas.es/en/technical-management-system/>



**SL-ATR** → Official communication software between the different agents of the Spanish Gas System and that supports the management of the gas cycle.

**MS-ATR** → Third-party access to the secondary market in which shippers introduce bilateral operations.

Contact:

[gts.contratacion@enagas.es](mailto:gts.contratacion@enagas.es)

# How to be a shipper in Spain: Registration process



## Steps in relation to Enagás...

**4** To **reserve capacity** in the **points of interconnection with Europe**.

✓ Be enabled on the European Capacity Platform **PRISMA**.



Contact: **Thibault Villedieu de Torcy**  
[thibault.villedieu-de-torcy@prisma-capacity.eu](mailto:thibault.villedieu-de-torcy@prisma-capacity.eu)

**5** Security deposit in the Guarantee Manager



Contact: Account Managers at Enagás Transporte  
**24/7 support service: +34 917 099 294**

[More info](#)

**6** **Tax Data**, necessary for invoicing processes: company name, address and VAT.

Additionally, it is mandatory to be enabled in the **electronic invoicing platform**.

We recommend you to contact us to help you through the process. The "Standard Contract for Access to the Transmission Network and the Distribution Network through Intra-European International Connections" can be found in the following [link](#).



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1. Capacity

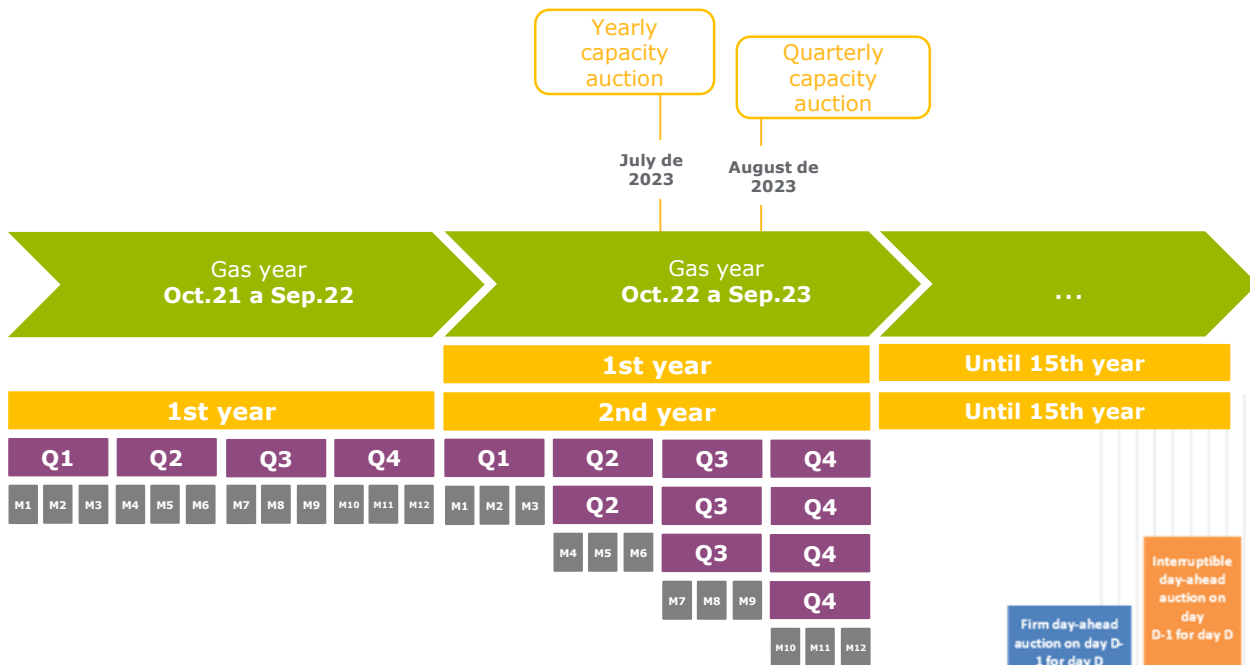
**2. Auctions**

3. CMPs

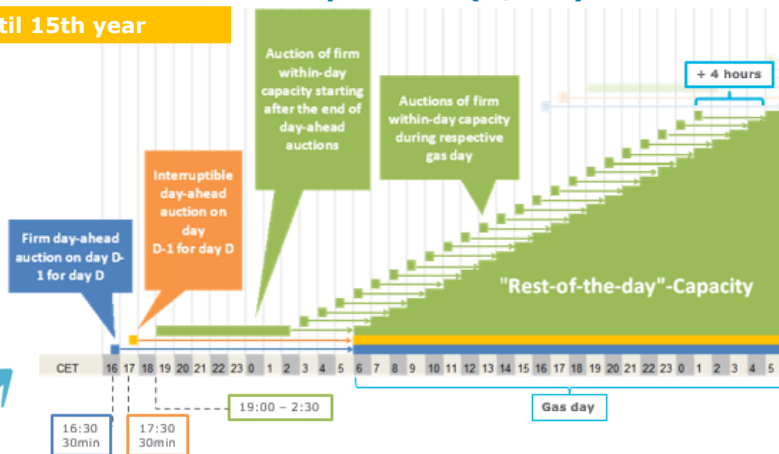
4. Annexes

# Auction calendar

Long Terms products. **Yearly, quarterly and monthly producto (Y, Q, M)**



Short term products. **Day ahead and within day products (D/WD)**



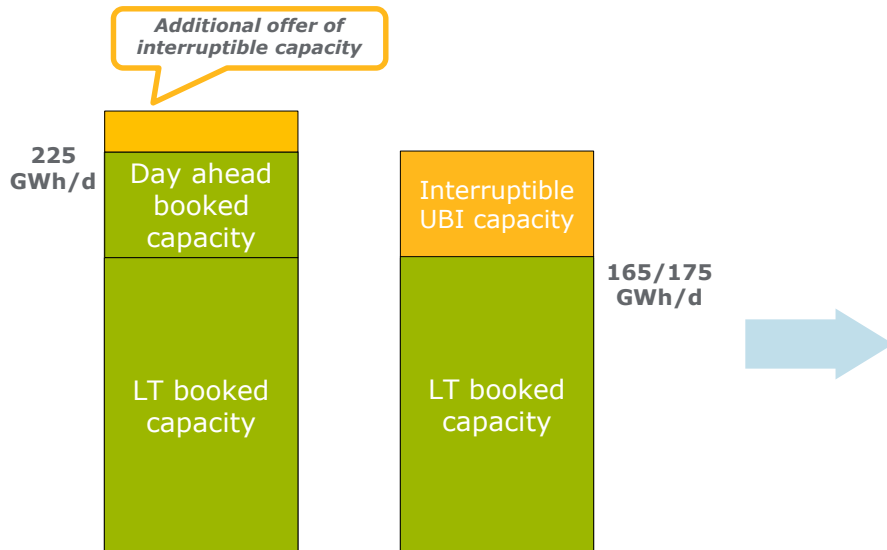
[Auction calendar - PRISMA](#)

[Auction calendar - Enagás](#)

# Complete process

## Firm day ahead offer

Auction 16:30 – 17:00



## Interruptible day ahead offer

Auction 17:30 – 18:00

If in the daily auction between 4:30 p.m. and 5 p.m., 99.5% of the available capacity is allocated, Enagás Transport offers **by auction a product of interruptible capacity between 5:30 p.m. and 6:00 p.m.**

From 01/10/2021, the offer of this auction is calculated by a new algorithm that takes into account:

- Nominations in both directions of the flow.
- Contracted capacities.
- Operational capacity of the interconnection.
- A correction factor that includes possible increases in the nomination of the firm cap.

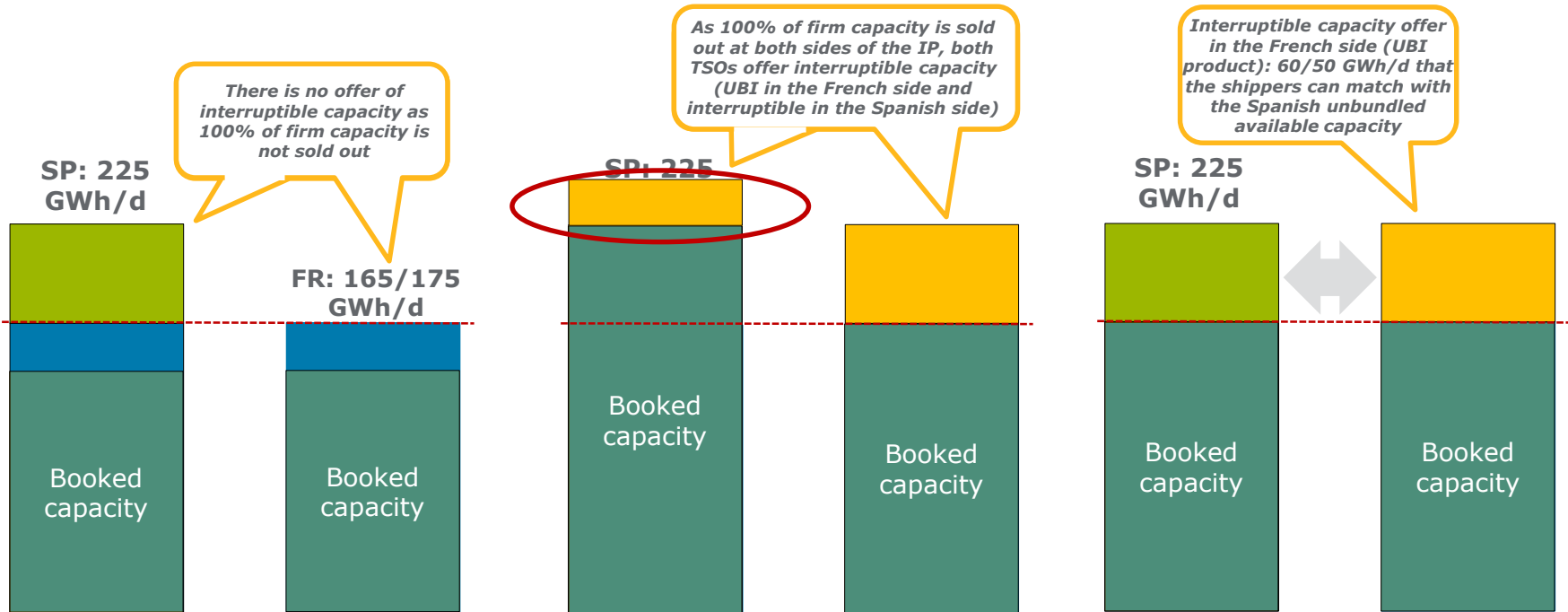
## within day interruptible capacity

If the **contracted firm capacity reaches 100%** at the close of any within day auction or not all the daily interruptible capacity is contracted in the auction, the marketers **have the right to nominate above their contracted capacity** (whether they have it or not), **automatically generating an interruptible capacity contract.**



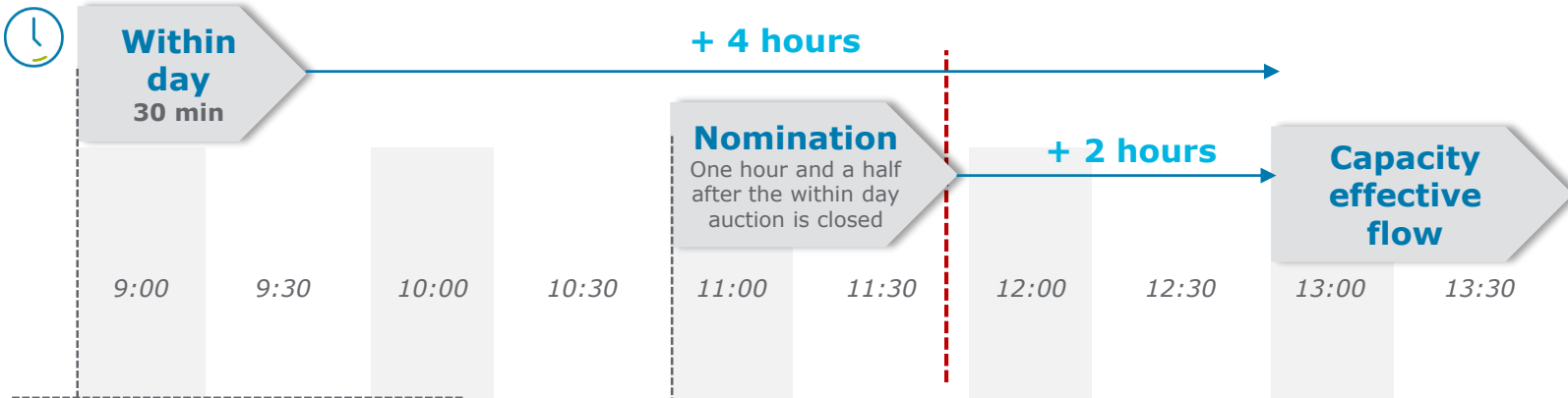
# Interruptible capacity: day ahead auction and overnomination process

## Possible situation when day ahead auction closes



# Auction calendar

## Example: within day process



The auction that occurs from **9:00 to 9:30** offers **capacity that will be effectively flowed starting at 13:00 and until the end of the gas day.**

The capacity obtained by the shipper **can be nominated for the first time starting at 11:00, and the latest at 11:45** if the shipper wants to flow gas starting at 13h. **The nomination cycle in which the shipper nominates will always be flowed 2 hours later.**

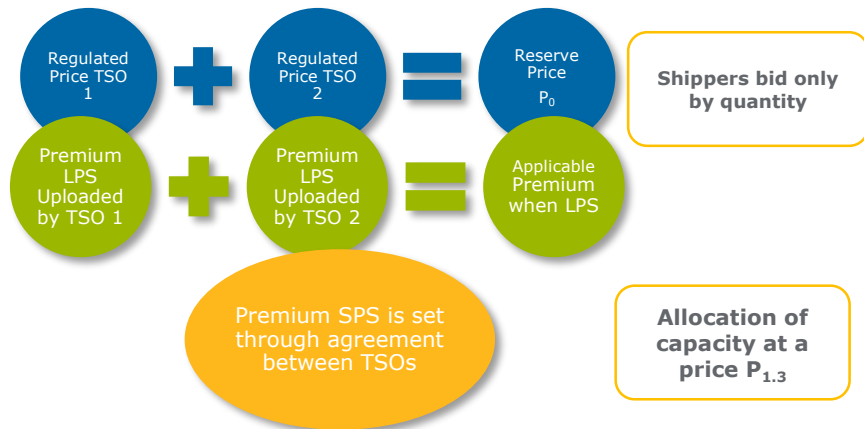
In case the nomination is done later than this time, **the nomination will be effective 1 hour after the confirmation of the nomination is delivered** (every hour between h:45 and (h+1):00).

Assuming that in this within day auction 100% of the firm capacity was contracted, the overnomination (within day interruptible capacity) would be activated from 11:00 coinciding with the nomination of the last firm product contracted.

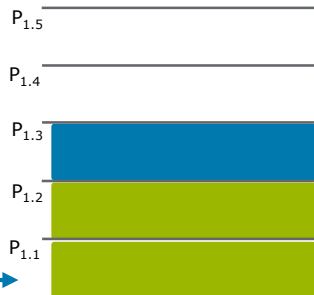
# Auction algorithms

## Ascending clock algorithm

Yearly, quarterly and monthly products

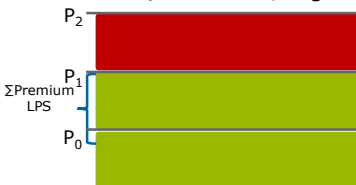


SPS: Short price steps  
20%/LPS.



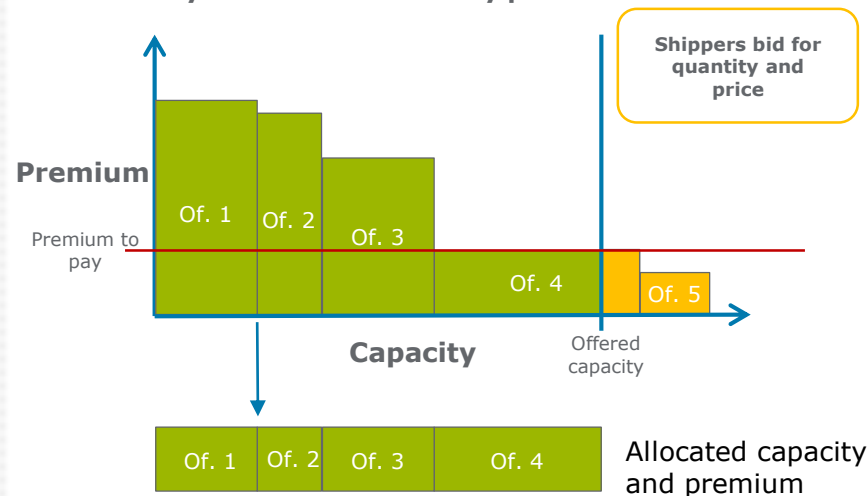
LPS: Large price steps  
1, 2.5 or 5%/Reg.

- Demand > Offer
- Demand < Offer
- Demand = Offer



## Uniform price auction

Day ahead and within day products

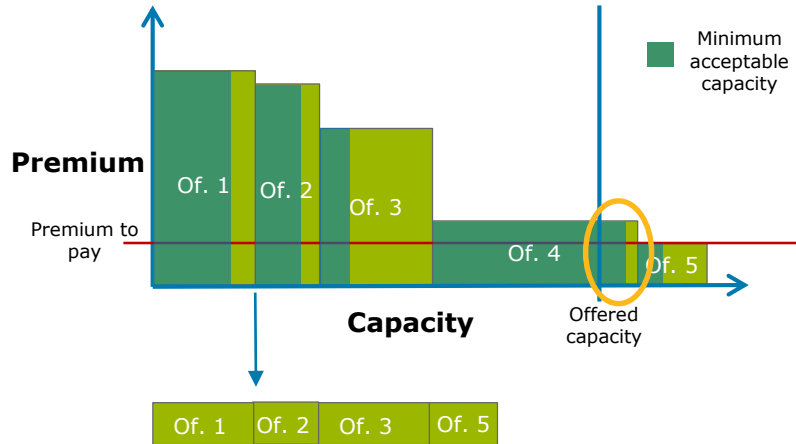


**In case where the offered capacity cuts with the premium to be paid, there is more than 1 shipper, the capacity will be allocated through pro rata.**

# Auction algorithms

## Uniform price auction

### Day ahead and within day auctions (minimum bid)



#### YOUR BID

Info Minimum bid: 1 kWh/h, PRISMA uses the English decimal point system. e.g. 1,000.043

Minimum\*  kWh/h

Maximum\*  kWh/h

Surcharge\*  cent/kWh/h/Runtime

#### UPGRADE

Bid for an upgrade of capacity ⓘ

#### GTCs

General terms and conditions\*

I hereby accept REN Gasodutos S.A.'s GTCs\*

I hereby accept Enagas Transporte S.A.U.'s GTCs\*

Bid

The **offered capacity is lower than the minimum capacity that shipper 4 is willing to accept** plus the capacity requested by the shippers that bid with a higher premium. Therefore, as there is no possibility to satisfy the minimum acceptable capacity that shipper 4 was bidding for, **shipper 5 is the one that gets the capacity instead and the premium will be lower.**

# PRISMA Platform & SGP

## PRISMA: links

[FAQ : PRISMA Capacity Platform \(prisma-capacity.eu\)](https://prisma-capacity.eu)

[Support : PRISMA Capacity Platform \(prisma-capacity.eu\)](https://prisma-capacity.eu)



PRISMA.

WHO WE ARE

**Europe's leading gas capacity trading platform.**

We connect the European gas market. We provide a single platform through which TSOs and shippers may auction transmission gas capacity at primary and secondary market level.

About us

SERVICES

**What we offer**

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# Secondary Market (PRISMA)

- The **primary market** is the one in which **the TSO allocates its available capacity through auctions.**
  - The **secondary market allows users to exchange capacity between them.**
- Both primary and secondary market are traded on the same platform, PRISMA

NEW

**Assignment:** allows the user to **pass the ownership of the contract to a new user**, who will acquire the same rights and obligations as the original owner. There may be a partial assignment: only a part of the capacity and/or only during a time horizon.  
From 20-Jun-2021, assignments are allowed in annual, quarterly, monthly and daily horizon.

NEW

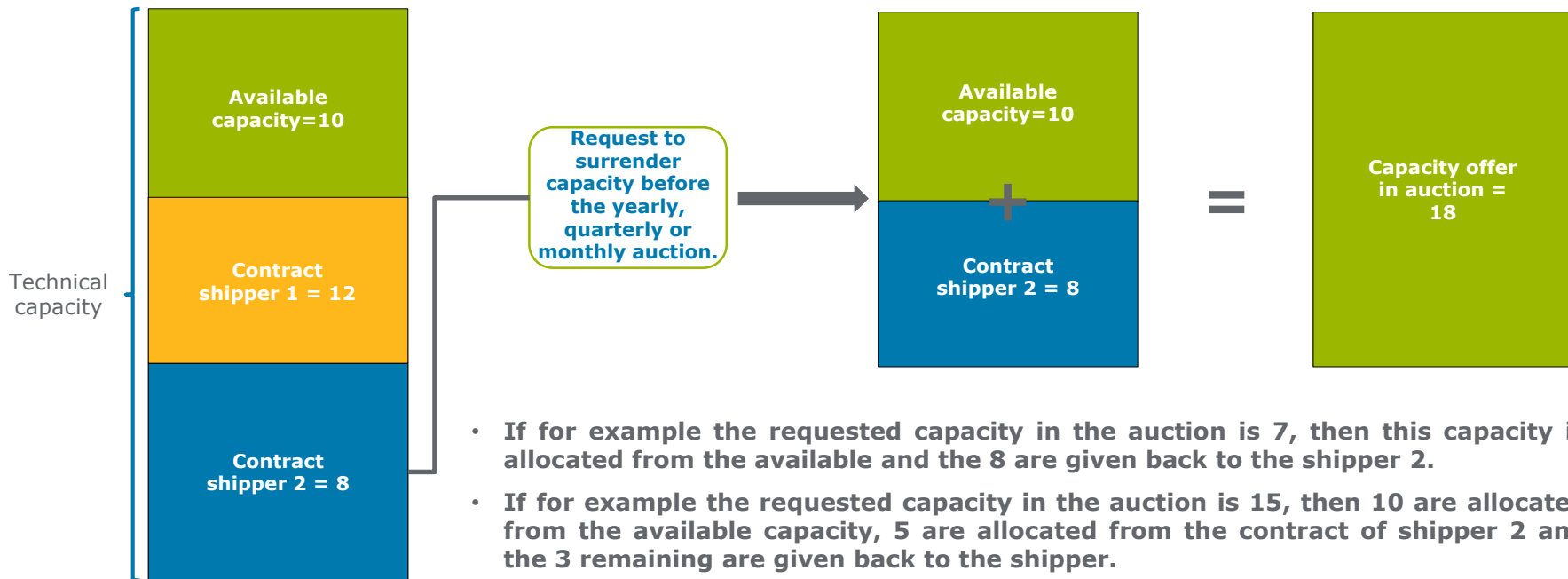
**Transfer of use:** allows the user to **assign the use of the contract to a new user**; but the lessor remains the owner, so it maintains its rights and obligations. Also the assignment can be partial and will be allowed in annual, quarterly, monthly and daily horizons.

**The only limitation** for assignment and transfer of use is that these operations **cannot** be carried out on the **within day horizon.**

# CMPs – Surrender

## European Regulation: Regulation 715/2009

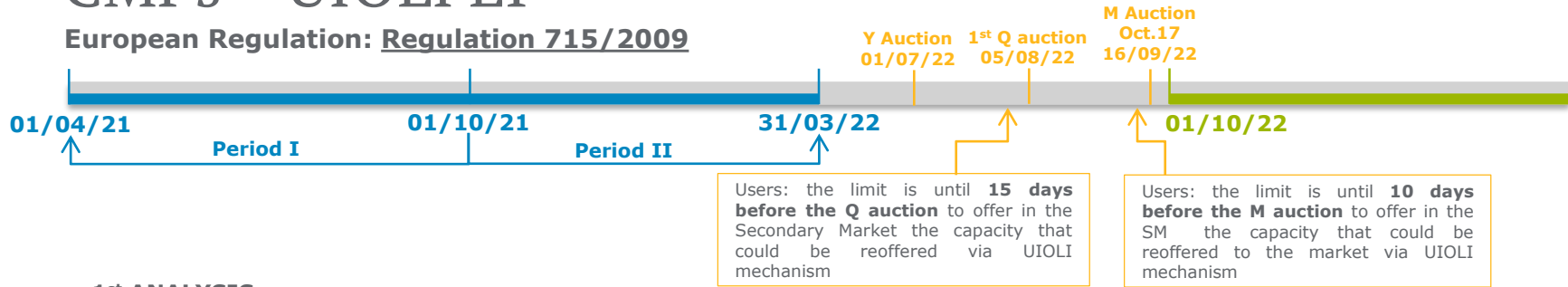
"The TSOs have **the obligation to accept any request of Surrender** when the shipper wants to reoffer his booked capacity to the market **except for the capacity which duration is 1 day or less**, for all or part of the booked capacity and for part or the entire period of the contract."





# CMPs – UIOLI LT

## European Regulation: Regulation 715/2009



### 1<sup>st</sup> ANALYSIS

1. Are there any shipper with booked capacity of a duration  $\geq 1$  year after **October 2022**?
2. If point 1 is accomplished, do these shippers have yearly or consecutive quarterly contracts during the period **April 2021 – March 2022**?

The shippers that accomplish the 1<sup>st</sup> analysis would go into a 2<sup>nd</sup> analysis:

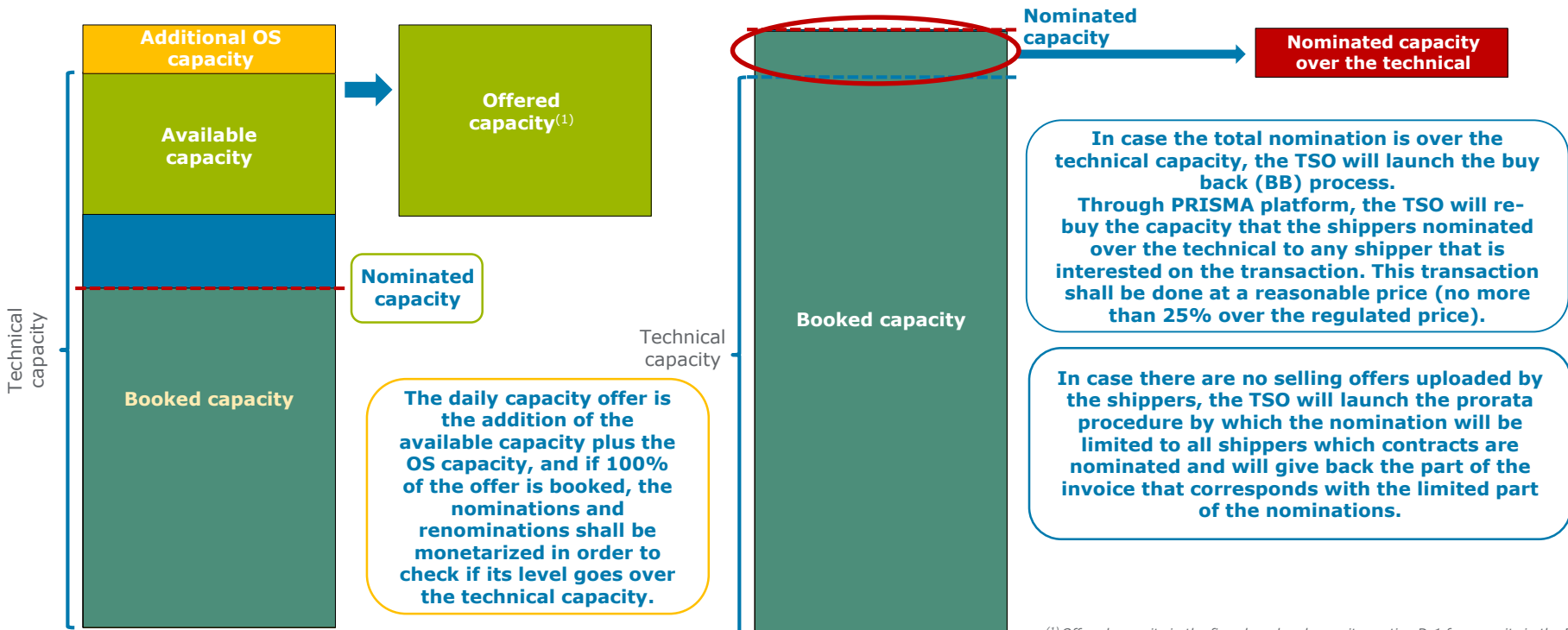
### 2<sup>nd</sup> ANALYSIS

- a) Analysis of the utilization % during **period I** and **period II**:
  - If utilization % in both periods is  $< 80\%$  → **underutilization** → c)
  - Si no, **b)**
- b) Count the number of days of  $renomination \leq \frac{nomination}{2}$ 
  - If there are less than 60 days → **underutilization** → c)
  - If not, there is no underutilization
- c) Has the shipper offered the underused capacity in the SM at a reasonable price?
  - If yes, the capacity is not taken and reoffered in the auction
  - If not, **the capacity will be offered** in the quarterly auction and if not allocated in the monthly auctions

# CMPs – OSS&BB mechanism

European Regulation: Regulation 715/2009

The TSOs will offer firm capacity that is additional to the technical capacity, based on historic nomination statistics in the corresponding point and flow in daily basis.



<sup>(1)</sup> Offered capacity in the firm day-ahead capacity auction D-1 for capacity in the D day.

# CMPs – Priority allocation process

If in an auction there are, additionally to the available capacity, other capacities coming from CMP application, even if the offer is not distinguish, the order of allocation is as follows:

1. Available capacity

- Capacity offered to the market by one or more shippers.
- In case more than 1 shipper applies the surrender mechanism, and in case the allocation of capacity in the auction is over the available capacity but does not fulfill the offer of surrender capacity, the shipper which capacity will be allocated will be decided by FCFS, and in case both shippers requested the application of the mechanism the same day, the capacity will be allocated via prorata.

2. Surrender capacity

- Capacity that was underused and that, consequently, it is blocked by the TSO in order to be offered to the market.
- In case more than 1 shipper have underused the capacity, and in case the allocation of capacity in the auction is over the available capacity but does not fulfill the offer of UIOLI capacity, prorata will apply over the UIOLI LT contracts.

3. UIOLI LT capacity

The prioritization can only be applied for auctions which products are quarterly or monthly as, the durations applicable for each CMP is:

1. **Surrender**: applicable for yearly, quarterly and monthly
2. **UIOLI LT**: applicable for quarterly and monthly
3. **OSBB**: applicable for day ahead product

**Thank you**





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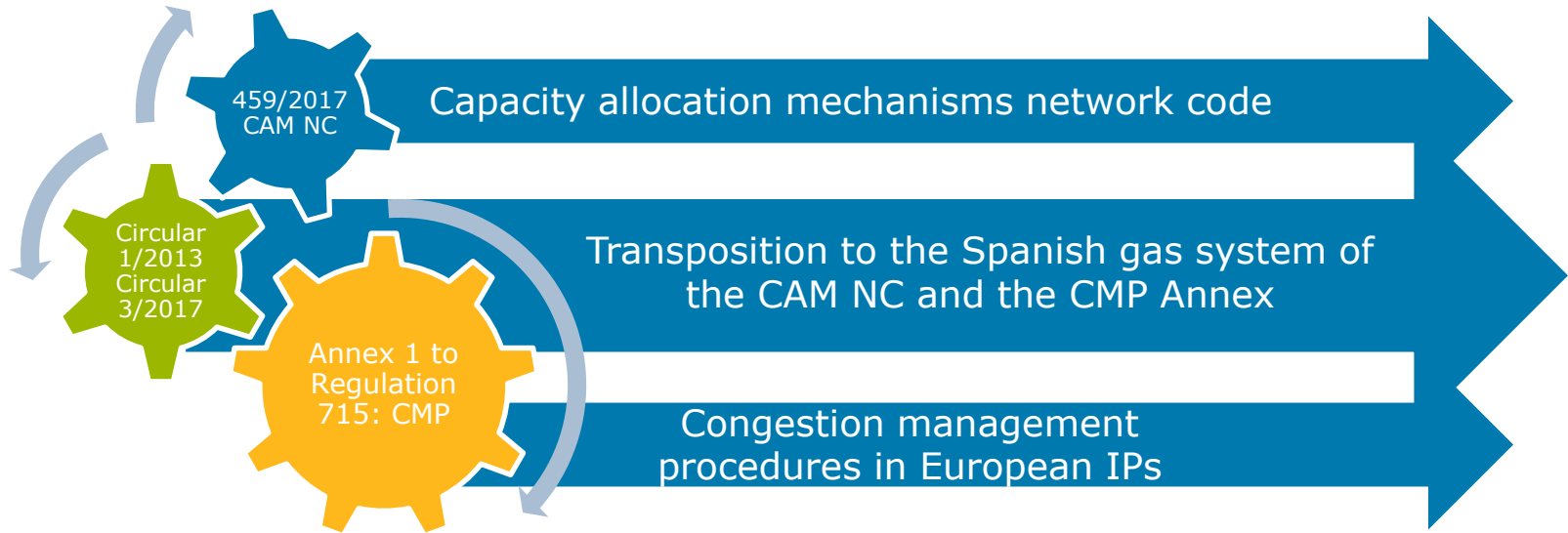
# Tariffs for the period October 2021 – September 2022

## Tariff to be applied in interruptible product

1.5 Peajes de capacidad interrumpible. Los descuentos *ex ante* aplicables al término de capacidad basado en caudal, aplicables a las entradas en la red de transporte por VIP Pirineos, calculado conforme al artículo 15.1.b) de la Circular 6/2020 en el año de gas 2022 son:

- D<sub>VIP Pirineos, ex ante, entrada, diario</sub>: 10,9 %
- D<sub>VIP Pirineos, ex ante, entrada, intradiario</sub>: 16,1 %

# Applicable regulation



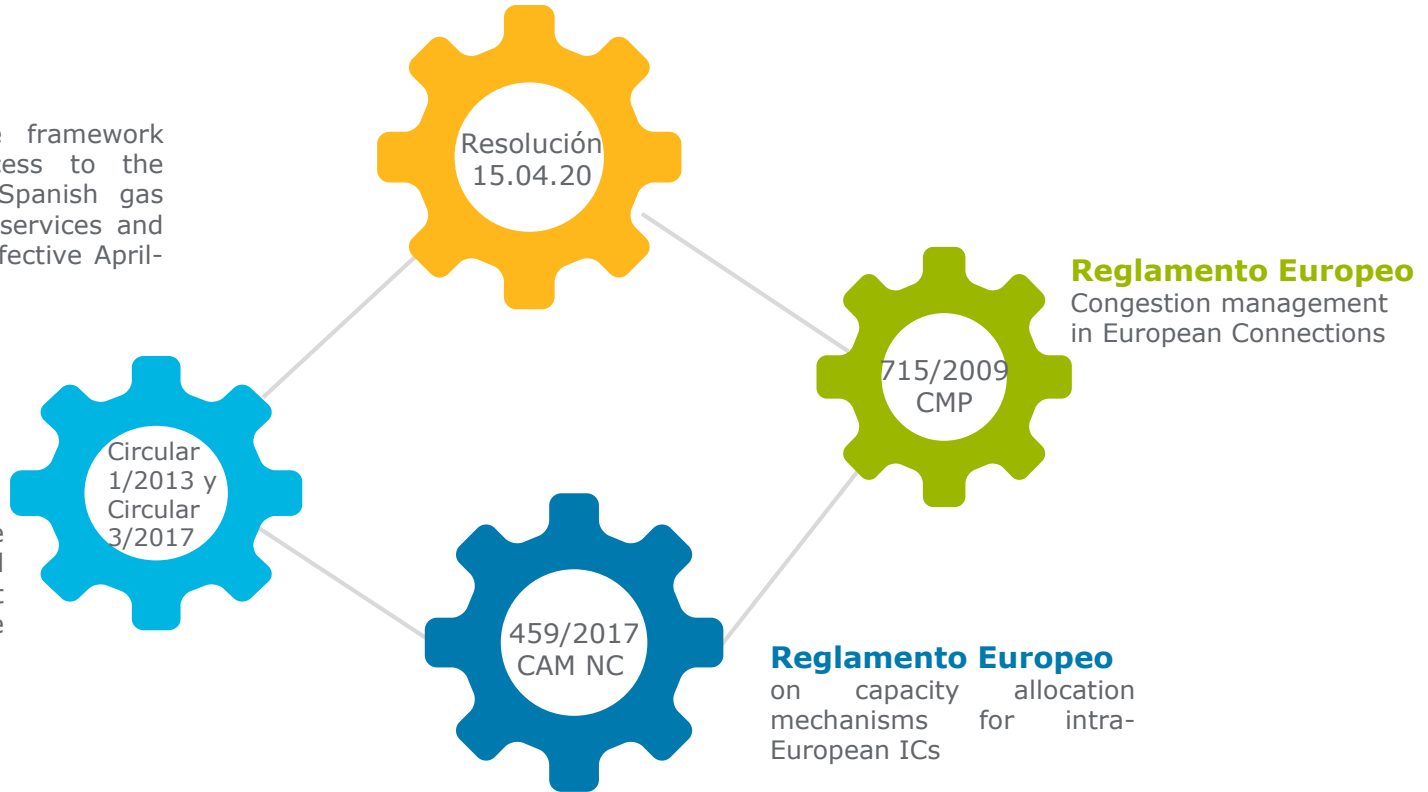
# Applicable regulation



NEW

## CNMC

Creates a single framework contract for access to the facilities of the Spanish gas system (national services and European ICs). Effective April-2020.



## CNMC

Transposition of the capacity network code and congestion management mechanisms to the Spanish gas system



# Integration of European Organisations



- Auction result monitoring reports.
- Implementation of Transposition of European Regulation.



- Regulatory implementation.
- Monitoring report implementation and effects on CAM NC market, BAL NC. CMP Guidelines and Transparency.



- Sending transparency data: contracting, nomination. unavailability...
- Participation in the "South Gas Regional Initiative".

