**Basic Assumptions and Invitation to Provide Suggestions and Proposals for the Implementation of**

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

ENERGY REGULATORY OFFICE

17 February 2015

# Definition of terms

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| Available capacity | The part of the technical capacity that is not allocated and is still available to the system at that moment |
| GSA | An online platform for transmission capacity booking operated by GAZ-SYSTEM S.A. |
| Capacity | The maximum flow, expressed in normal cubic metres per time unit or in energy unit per time unit, to which the network user is entitled in accordance with the provisions of the transport contract  For the purposes of this document, any capacity is understood to be transmission capacity unless specified otherwise |
| Day-ahead capacity | Capacity that can be booked during the gas day preceding the gas day for which the transmission capacity is being booked |
| Competing capacities | Capacities for which the available capacity in one of the concerned auctions cannot be allocated without fully or partly reducing the available capacity in the other concerned auction |
| Bundled capacity | A standard capacity product offered on a firm basis which consists of corresponding entry and exit capacity at both sides of every interconnection point, which is booked as single capacity at a single moment |
| Bundled nomination | A single nomination at a bundled entry-exit point of the transmission system |
| Bundled entry-exit point | A point created by transmission capacity at the bookable exit point and transmission capacity at the bookable entry point, interconnecting two adjacent gas market zones, at which bundled capacity can be booked |
| Regulation | COMMISSION REGULATION (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 |
| Online platform | Electronic online platform through which transmission capacity is offered and booked. The platform supports trading in transmission capacity while maintaining the trading parties’ anonymity. Information about each of the points under Regulation (EC) No 715/2009 is published through the online platform. The list of the relevant points is prepared by the transmission system operator and approved by the Energy Regulatory Office. |
| Market operator | OTE, a.s. |
| Firm capacity | Gas transmission capacity contractually guaranteed as uninterruptible by the transmission system operator |
| Primary market | The market of the capacity traded directly by the transmission system operator |
| PRISMA | The online platform for transmission capacity booking operated by PRISMA European Capacity Platform GmbH |
| Transmission system operator | NET4GAS, s.r.o., unless specified otherwise |
| Transport products | Standard capacity products within the meaning of Article 9 of the Regulation |
| Interruptible capacity | Gas transmission capacity that may be interrupted by the transmission system operator in accordance with the conditions stipulated in the transport contract |
| Secondary market | The market of the capacity traded otherwise than on the primary market |
| Technical capacity | The maximum firm capacity that the transmission system operator can offer to the network users, taking account of system integrity and the operational requirements of the transmission network |
| Office | The Energy Regulatory Office |
| Within-day capacity | Capacity that can be booked during the gas day for which the transmission capacity is being booked. Transmission capacity is booked for a section of time on that gas day. |

# Abbreviations

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| CMP | Congestion management procedures in the event of contractual congestion (Congestion management procedures) within the meaning of Regulation (EC) No 715/2009 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 |
| ERO | The Energy Regulatory Office |
| EU | The European Union |
| FG | Framework Guidelines |
| HPS | Border transfer station |
| IP | Interconnection point |
| NC CAM | COMMISSION REGULATION (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 |
| PTP | Gas Market Rules, i.e. public notice no. 365/2009 on Gas Market Rules, as amended |
| TSO | Transmission system operator |

# Introduction

In order to facilitate gas transport and gas trading across the EU, the Framework Guidelines and the associated Network Code on Capacity Allocation Mechanisms (FG and NC CAM) aim to promote and define harmonised capacity allocation mechanisms, i.e. auction procedures, and a set of standardised bundled cross-border capacity products at interconnection points between entry-exit zones.

The rules concerning bundled capacity, bundled capacity allocation and bundled capacity nomination and renomination shall not apply to exit points from the transmission system to end consumers directly connected to the transmission system, at delivery points to gas storage facilities and at delivery points between the transmission and a distribution system and at the transmission system’s entry point from the virtual gas storage facility.

The Network Code also sets out how adjacent transmission system operators cooperate in order to facilitate capacity sale and use, having regard to general commercial as well as technical rules related to capacity allocation mechanisms.

The Energy Regulatory Office is fully aware of the impact of the NC CAM on the traders who use border transfer points for transporting gas into/from the Czech Republic. Since the Energy Regulatory Office considers it to be important that traders participate in the public consultation process, this document will also be published in English and comments in English will be accepted.

The Energy Regulatory Office is fully aware of the need to reflect the needs and interests of the groups of all the concerned market participants when the NC CAM is implemented. The resulting model will then constitute a balanced and non-discriminatory compromise, the main purpose of which is to encourage the development of the Czech gas market and to put in place conditions ensuring the security of gas supply for customers in the Czech Republic while preventing price hikes for customers precipitated by adopting solutions causing unjustifiable costs. The Office firmly believes that the experience of and feedback from the gas market participants who use entry and exit border points in the transmission system will help to develop a market-focused implementation model that is consistent with the policy of harmonising rules at the European level and that motivates gas traders to continue to actively operate on the Czech gas market.

For this reason, the Energy Regulatory Office hereby invites all the stakeholders concerned (in particular the transmission system operator) to provide the Office, by the required date, with their suggestions and proposals for NC CAM implementation, emphasising the priorities and properly substantiated. The Office expects that the proposals for implementation will be presented in a format enabling an adequate assessment and further discussion of the proposals.

# The purpose of the document

The purpose of this document is to identify the areas that need to be tackled when implementing the NC CAM within the model of the Czech gas market and its ties to adjacent countries with which the Czech Republic shares border transfer points.

The Energy Regulatory Office hereby unequivocally expresses its support for the liberalised gas market, since it is fully aware of all the benefits deriving from this market opening for gas customers in the Czech Republic. The Office also takes a favourable view of each and every gas trader and gas infrastructure operator who through their activities help to broaden the options for gas supply to customers in the Czech Republic. The Energy Regulatory Office aims at a gas market model that will reflect the requirements of the Regulation while motivating gas market participants to ensure continuous and safe gas supply to supply points in the Czech Republic through their activities.

The Energy Regulatory Office invites all the stakeholders to play an active role in the implementation by way of sharing their experience and identifying the problematic areas; only this joint procedure will make it possible to achieve the maximum benefits for the Czech gas market.

## Timetable

|  |  |
| --- | --- |
| 17 February 2015 | Completion and publication of the Invitation to Provide Suggestions and Proposals for the Implementation of the NC CAM |
| 9 March 2015 | Market participants send their suggestions and proposals for NC CAM implementation |
| 17 April 2015 | Settlement of market participants’ suggestions and proposals for NC CAM implementation |
| 15 May 2015 | Draft of amended Gas Market Rules |
| 31 May 2015 | Gas market participants’ comments on the draft of amended Gas Market Rules |
| 15 June 2015 | Settlement of market participants’ comments on the draft of amended Gas Market Rules |
| 30 June 2015 | The draft of amended Gas Market Rules submitted to the inter-departmental commenting procedure |

## Legislation concerned

* Public notice no. 365/2009 on Gas Market Rules, as amended
* The ERO’s price decision on regulated prices related to gas supply
* Public notice on price control method and procedures for price control in the gas industry

In line with the above timetable, the ERO expects to deliver the draft of the amended public notice on Gas Market Rules to the inter-departmental commenting procedure in early July 2015. The settlement of the comments arising from this stage of the legislative process will result in an almost final draft of the public notice on Gas Market Rules. The Energy Regulatory Office will start to work on its price decision on the prices of gas and related services, which will come into effect on 1 November 2015, in the latter half of July 2015. To reflect the NC CAM in the price decision, the currently applicable price decision will be amended to reflect the public consultation process and the relevant provisions of the PTP, and it will then become the price decision applicable from 1 November 2015.

The Energy Regulatory Office expects market participants’ active participation in this process as well; the objective is to set the price parameters so as to achieve balanced, non-discriminatory and transparent conditions for all gas market participants.

# NC CAM implementation in the Czech Republic: The key changes and challenges expected

On 1 November 2015, the NC CAM will bring a fundamental change in the approach to transmission capacity booking. Effective from that date, capacity will be offered and booked in line with the NC CAM principles at all relevant interconnection points, and it will no longer be allowed to use the current principles of capacity booking. Transport products (yearly, quarterly, monthly, daily, and within-day) and their trading time will be harmonised in all EU Member States. At all interconnection points where this is feasible, bundled capacity will be offered, i.e. capacity consisting of the corresponding entry and exit capacities at both sides of every interconnection point, for which capacity has currently to be booked separately with two TSOs, usually with different booking times and different booking periods.

The Office regards, in particular, the following issues, which are described in more detail in each chapter of this document, as the crucial open issues of NC CAM implementation:

* Capacity calculation and maximisation;
* Nomination of bundled capacity;
* Principles of interruptible capacity booking and use;
* Tackling the asymmetry between the size of the capacities offered on the two sides of the IP;
* Combined entry/exit points: more than two transmission system operators are involved at one IP;
* Proportion of capacity set aside under Article 8 NC CAM + the maximum time for offering yearly capacity;
* The setting of tariffs for short-term products;
* Splitting and attribution of auction premiums;
* Dynamic approach to re-calculating capacity;
* Unbundled products and the treatment of existing contracts;
* Transparency.

Nevertheless, the Office will also welcome suggestions and proposals provided by gas market participants for NC CAM implementation on issues that are not treated in this document.

## Stakeholders concerned

The main stakeholders are the transmission system operator and traders using the entry and exit border points of the transmission system for importing gas into the Czech Republic and exporting gas to other countries. With regard to the potential impact on price levels in the Czech Republic, the concerned stakeholders also include all the other entities operating on the Czech gas market, in particular customers.

## The ERO’s view of the role of the PTP

* The PTP provide a comprehensive picture of the rules and principles used on the Czech gas market, and they will therefore be a direct tool for implementing the Regulation.
* The ERO intends to preserve the detailed specification of capacity booking rules in the PTP.
* Following consultation with network users, the dates and values of capacities set aside will be determined (including the algorithm for their calculation), and then set out directly in the PTP.

# Products and services offered by the TSO (standard capacity products under Article 9 NC CAM)

Under Article 9 of the Regulation, the transmission system operator shall offer certain defined standard capacity products.

Key principles of the products and services offered:

* Auctions at all interconnection points of the transmission system;
* Standardised products (5 types);
* Booking in energy units;
* Bundled products will be offered; unbundled products will only be offered in special cases.

## Standard capacity products

|  |  |  |
| --- | --- | --- |
| Product | Fervency of auctions | Number of products in an auction |
| Within-day | Every hour | 1 |
| Daily | Every day | 1 |
| Monthly | Monthly | 1 |
| Quarterly | Annual | 4 |
| Yearly | Annual | up to 15 |

Transmission system operators shall offer a daily capacity product for interruptible capacity in both directions at interconnection points where firm capacity has been offered but was sold out day-ahead. At unidirectional interconnection points where technical capacity is offered only in one direction, transmission system operators shall offer a daily product for interruptible capacity in the other direction. Transmission system operators may offer interruptible capacity products of longer duration as well.

## Auction rules

Auctions shall be used for the allocation of capacity at interconnection points. At all interconnection points the same auction design shall apply. The relevant auction processes shall start simultaneously for all concerned interconnection points. Each auction process, relating to a single standard capacity product, shall allocate capacity independently of every other auction process except where, subject to the agreement of the directly involved transmission system operators and the approval of relevant national regulatory authorities, competing capacity is allocated.

If several standard capacity products are offered during an auction, the respective allocation algorithm shall be applied separately for each standard capacity product when it is being allocated. Bids for the different standard capacity products shall be considered independently from each other in the application of the auction algorithm. For annual yearly, annual quarterly and rolling monthly capacity auctions, an ascending clock auction algorithm, with multiple bidding rounds, shall be applied.

### Ascending Clock auction algorithm

#### Key principles

* After each bidding round, the demand of all network users shall be published;
* There shall be a period of 1 hour between bidding rounds;
* The first bidding round shall have a duration of 3 hours, subsequent bidding rounds shall have a duration of 1 hour;
* A large price step and a small price step shall be defined;
* Price steps between bidding rounds shall be defined;
* The ascending clock auction model shall be used in auctions;
* Platform for capacity sales.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Price step |  |  |  |  |
|  | Quantity | Trader 1 | Trader 2 | Total |
| 5 | 150 |  |  |  |
| 4 | 150 | 100 | 40 | 140 |
| 3 | 150 | 110 | 60 | 170 |
| 2 | 150 | 150 | 80 | 230 |
| 1 | 150 | 150 | 100 | 250 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Price step |  |  |  |  |
|  | Quantity | Trader 1 | Trader 2 | Total |
| 4 | 150 | 100 | 40 | 140 |
| 3.3 | 150 |  |  |  |
| 3.2 | 150 | 107 | 40 | 147 |
| 3.1 | 150 | 105 | 50 | 155 |
| 3 | 150 | 110 | 60 | 170 |

### Uniform price auction algorithm

The following diagram shows the uniform price auction algorithm under Article 18 of the Regulation. The uniform price auction algorithm shall be used for rolling day-ahead capacity auctions and  
within-day capacity auctions. In a uniform price auction, there is a single bidding round in which the network user bids price as well as quantity. Each bid shall be treated independently from other bids.



## Other products and services

The Energy Regulatory Office will firmly insist on any services and products offered by the transmission system operators at an IP being in accordance with the NC CAM.

After 1 November 2015, offering services and products other than the products set out in the NC CAM will be regarded as breaches of the NC CAM rules if the transmission system operator fails to submit a substantiated request for the acceptance of these special products and services, which clearly indicates the reasons for providing them and their benefits for the Czech gas market and, in particular, their compliance with the NC CAM. Any acceptance and approval of such products shall be subject to a public consultation process in which gas market participants will comment on the issue at hand.

DETAILS OF THE MAIN CHANGES AND CHALLENGES RELATED TO NC CAM IMPLEMENTATION

# Capacity calculation and maximisation

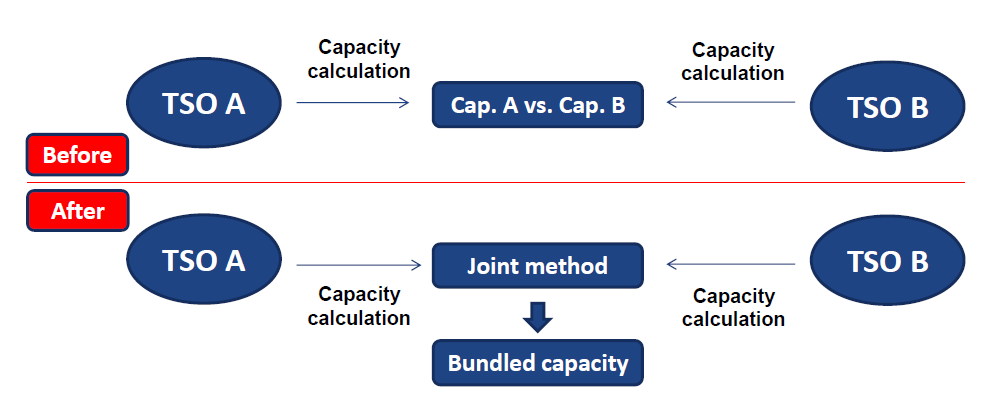
## Capacity calculation

On the basis of alternative scenarios, the transmission system operator shall prepare a forecast of the required capacity and utilisation of the network for a period of the subsequent ten years. The forecast should be updated every two years and should be consulted with gas market participants.

## Capacity calculation and maximisation

The Office expects that pursuant to Article 6 NC CAM, the transmission system operator will propose, in cooperation with adjacent system operators, the principles of a joint method for capacity maximisation and submit the proposal to the ERO, which will consult this method with network users.

* The NC CAM requires transmission system operators to align, from February 2015, the method for transmission capacity calculation before the full implementation in November 2015. The purpose is to maximise the offer of bundled capacity through the optimisation of the technical capacity.

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# Capacity bundling

The entry into and exit from each cross-border interconnection point (to which the CAM applies) should be integrated into a single bundled entry-exit point for each direction at each point where the adjacent transmission system operator makes this possible. At the bundled entry-exit point, users can book firm bundled capacity and interruptible bundled capacity. This shall not apply to contracts concluded before 31 October 2015, with the exception of contracts for which users with booked entry and exit capacities do not request an amendment.

## Bundled capacity nomination

Under Article 19 (7) NC CAM, users shall have the means to nominate/renominate the flows of their bundled capacity to only one of the transmission system operators. The ERO does not expect this measure to cause any fundamental changes or complications; the transmission system operator will only modify its system, and then transfer such nominations to the market operator’s system.

Differences between the grid codes of the various transmission system operators:

* Under Article 19 (4) NC CAM, network users who book capacity shall comply with applicable terms and conditions of the two transmission system operators concerned. The ERO hereby invites the transmission system operator to analyse the fundamental differences between the grid codes and to publish them.

Are you aware of any complications entailed in the implementation of this provision? If so, please specify them and suggest a solution from your perspective.

Do you see any fundamental differences between adjacent operators’ conditions? If so, what solution would you suggest?

## Article 19 and practical application for each of the points

The technical nature of each of the IPs concerned will require a different set of measures to maximise the bundled capacity offered. In many cases, the size of bundled capacity that can be provided at each of the IPs is limited by the asymmetry of the capacities offered on the two sides of the IP. If such situation also exists at Czech border transfer stations, rules for the effective bundling of the capacities offered on the two sides of the IP shall have to be put in place. The ERO hereby invites gas market participants to identify the border transfer points at which such asymmetry may occur and to propose the key principles of the mechanism for calculating bundled capacity in the case of asymmetry.

Entry and exit points of the transmission system:

* Lanžhot
* Lanžhot – Mokrý Háj
* Hora Svaté Kateřiny – Olbernhau
* Hora Svaté Kateřiny - Deutschneudorf (Sayda)
* Brandov – OPAL
* Brandov – STEGAL
* Waidhaus
* Český Těšín

Complying with the requirements of the NC CAM, transmission system operators shall make their best effort to integrate, as quickly as possible, the entry/exit capacities at all border transfer points between two interconnected market zones into a single combined entry-exit point that includes the capacity of all individual points.

At which points do you suggest the integration of the existing points into a single combined point and what benefits do you think this will bring?

What obstacles do you see in such integration?

## Combined entry-exit points: more than two operators at one IP

The Energy Regulatory Office takes the view that the key precondition for implementing the NC CAM is ensuring sufficient capacity at the entry border points needed for supplying customers in the Czech Republic. This capacity should be calculated with regard to the necessity to ensure safe gas supply also on days of exceptionally high demand. The Office also believes that the size of the entry capacity should reflect the actual physical flow of gas into the Czech Republic for the needs of supplying customers in the Czech Republic and for the needs of gas supply to other countries.

### Waidhaus

There are two transmission system operators on the German side. It is not apparent what approach to take, in line with the Regulation, to bundled capacity offering. The current situation results in the following: before the capacity of both operators on the German side is offered as single capacity, capacity cannot be sold as bundled capacity and all capacity will be offered as unbundled capacity for no more than one year.

Please suggest what, from your perspective, is the best solution to the situation at this entry-exit point.

### Hora Svaté Kateřiny, Hora Svaté Kateřiny - Olbernhau, and Brandov

The ERO regards these points as interconnections between the Czech virtual trading point and the Gaspool market zone in Germany. Because of the change of the physical gas flows in Europe, these points have become the principal infrastructure for supplying the Czech gas market. The change of flows has in fact caused the sell-out of most of the technical capacity at the exit from Germany to the Czech Republic, although capacities at the entry into the Czech Republic on a firm basis are available. Once the offering of bundled capacity is put in place, sufficient capacity to meet the gas demand in the Czech Republic and to provide for supply security in the Czech Republic may actually not be available. With regard to gas market integration at the European level, the Office considers the integration of all three points into a single combined capacity point interconnecting the Czech Republic and Gaspool to be an adequate solution.

What is your opinion of the current offer of technical capacity and options for capacity booking at the Hora Svaté Kateřiny, Hora Svaté Kateřiny - Olbernhau, and Brandov border transfer stations?

What is your view of the above proposal intended to ensure sufficient capacity for supplying customers in the Czech Republic? Do you regard this solution as acceptable, or would you suggest a different solution?

Can the current system of capacity offering and booking jeopardise the security of supply to the Czech Republic and can it impede the development of the Czech gas market?

# Principles of interruptible capacity booking and use

As part of NC CAM implementation, the approach to interruptible capacity will have to be completely changed compared with its current treatment in the PTP. Since this issue attracts quite a number of different solutions, the ERO will proceed on the basis of feedback from network users on the following questions:

For what periods of time should interruptible capacity be offered?

What should be the pricing of interruptible capacity?

Should the interruptible capacity be returned to the user when it wins firm transmission capacity in an auction for the same period of time?

What is your suggestion for the execution in practice of interruptions under Article 24 NC CAM?

# Tariffs for short-term products

The NC CAM will result in a greater use of short-term capacities because of the more difficult and less flexible booking of long-term capacities. This lower flexibility should be offset by the tariffs for booking short-term (quarter, month, day) capacities.

What should be the method for pricing these short-term products?

# Splitting and attributing auction premiums

Under Article 26 of the Regulation, auction revenues from bundled capacity need to be split between the transmission system operators placing capacities in bundled capacity. The reserve price of the bundled capacity shall be the sum of reserve prices of the capacities in the bundled capacity. All revenues from sales of bundled capacity shall be attributed to the contributing transmission system operators after each capacity transaction. The revenues from the reserve price of bundled capacity shall be attributed to the transmission system operators in proportion 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 transmission system operators, approved by the relevant national regulatory authority, where appropriate, in advance of the auctions. Where no agreement is concluded before the auction, the revenues from the auction premium from bundled capacity shall be attributed to the transmission system operators in equal proportions.

Under Article 26 of the Regulation, the Energy Regulatory Office, being the national regulatory authority, shall approve over and under recovery mechanisms. Where a price cap regime is applied, the national regulatory authority shall approve the usage of revenues from capacity prices exceeding the respective tariff.

What mechanism for auction premium attribution and splitting do you prefer?

# Competing capacity allocation

Under the NC CAM, auctions shall be used for the allocation of capacity at interconnection points. At all interconnection points the same auction design shall apply. The relevant auction processes shall start simultaneously for all concerned interconnection points. Each auction process, relating to a single standard capacity product, shall allocate capacity independently of every other auction process except where, subject to the agreement of the directly involved transmission system operators and the approval of relevant national regulatory authorities, competing capacity is allocated.

At which points will capacity be offered as competing capacity?

What should be the mechanism for evaluating and allocating such capacity?

# Dynamic approach to capacity re-calculation

The Office regards dynamic re-calculation as a very useful tool for increasing available technical capacity. On the other hand, every change in available technical capacity at points with sold-out capacity is an essential piece of price-forming information for the market and considerably influences each of the market participants. For this reason, the procedure for calculating available technical capacity also in the case of dynamic re-allocation should not cause damage to the users who use the relevant entry and exit points of the transmission system, or jeopardise gas supply to customers in the Czech Republic. The conditions, the re-allocation limits and the dates/hours should be determined in a transparent manner. Dynamic capacity re-calculation must also be coordinated with the adjacent TSO so that bundled capacity is potentially increased, and not only unbundled capacity.

In order to achieve transparent and non-discriminatory conditions on the gas market, the transmission system operator should publish the method of such re-calculation and, in particular, the limit situations for the possibilities to transfer capacity from one point to another point, including the periods of time required for applying the dynamic approach to re-calculation.

What time-related and capacity-related parameters do you suggest for the dynamic approach to capacity re-calculation?

## Interaction between the NC CAM and CMP

A number of the provisions of the NC CAM presuppose interaction with the requirements set out in CMP. The provisions in the NC CAM and CMP must be applied in a compatible and consistent manner.

The Energy Regulatory Office regards it to be important to take into account, as part of NC CAM implementation, the interaction between the measures concerning bundled capacity (Article 19) in the NC CAM and the mechanisms of CMP implementation at border transfer points, in compliance with the requirements of European Commission Decision amending Annex I to Regulation (EC) 715/2009 on conditions for access to natural gas transmission networks (CMP guidelines).

On the basis of the above and on the basis of monitoring the functioning of the gas market, the Energy Regulatory Office has concluded that it is desirable that the measures concerning CMP implementation into Czech legislation are also part of the PTP public notice. This is why the inclusion of these provisions, i.e. their transfer from the Grid Code of the Transmission System Operator into the PTP, will be a part of the amendment to the PTP public notice. The Energy Regulatory Office also expects that rules will be put in place for the firm day-ahead UIOLI mechanism; the rules are to be implemented as of 1 July 2016.

The Energy Regulatory Office hereby invites the transmission system operator, NET4GAS, s.r.o., to present a proposal for the functioning of the firm day-ahead UIOLI mechanism in the market model in the Czech Republic.

# Unbundled products

Having evaluated the benefits of bundled and unbundled capacity products, the ERO notes that it is very difficult to identify the benefits of unbundled capacities without matching carried out between the two sides of the border transfer point. In the case that unbundled capacity is sold and later the technical capacity on the other side of the IP is increased, the capacity so increased should then be offered as unbundled capacity, which, however, causes a conflict with one of the key pillars of the NC CAM, namely that all capacity should be offered as bundled capacity.

The Office believes that the conditions on which unbundled capacity products will be offered should sufficiently motivate the transmission system operators to achieve consensus on the size of technical capacity on both sides of the IP.

In what way and on what conditions do you think unbundled capacity should be offered?

# Implicit allocation method

The ERO does not expect the use of implicit capacity allocation methods as at the date of NC CAM implementation, but it regards implicit capacity allocation methods as one of the preferred directions for the integration of gas markets.

What is your view of using implicit methods for capacity allocation?

Do you support the implementation of implicit capacity allocation methods? From which date and at which points?

# Limiting bidding by a single network user

Under Article 2 (5) of the Regulation, in order to prevent foreclosure of downstream supply markets, competent national authorities may, after consulting network users, decide to take proportionate measures to limit up-front bidding for capacity by any single network user at interconnection points within a Member State.

Does the situation on the Czech gas market require the introduction of limited bidding by a single network user under Article 2 (5) of the Regulation?