CONSULTATION RESPONSE

Comments on the long-awaited CAM NC revision

Energy Traders Europe welcomes the European Commission's proposed revision of the Capacity Allocation Mechanisms Network Code (CAM NC) and its associated targeted amendment to the Tariff Network Code (TAR NC). **The initiative marks an important step towards bringing the allocation of cross-border gas transmission capacity closer to the realities of physical gas trading and changing flow patterns.**

We strongly support the introduction of supplementary uniform-price auctions for unsold firm yearly, quarterly and monthly capacity, the opportunity to book individual monthly products further ahead within the quarter, and the new balance-of-the-month (BoM) standard capacity product together with a dedicated tariff multiplier. These changes respond directly to an issue raised by our association (then EFET) through the Gas Network Codes Functionality (FUNC) platform in 2020.

We particularly welcome the fact that the consultation package already includes a separate targeted amendment to Regulation (EU) 2017/460. The proposed TAR NC Article 13(1)(c) addition can support establishing a commercially attractive multiplier for BoM products, although the wording could more explicitly call for duration-sensitive pricing. We also appreciate that our long-standing request for extending the capacity conversion service onto daily products has been recognised under Article 24.

Finally, we support greater transparency and accountability in capacity maximisation, including the push for full use of interruptible capacities under Article 27 and technical flexibility under Article 33 which, with effective regulatory oversight, will reinforce EU's supply security.

Key messages

1. Meaningful **advance notice needs to be provided** (Article 15(12), Article 16(9)). Publish indicative and, ideally, final offered quantities no later than **one full business day before additional auctions**, subject to change only due to clearly identified operational issues. This is particularly important for annual, quarterly and monthly capacities.

2. **Ensure BoM product is fit-for-purpose** (Article 16, TAR NC Articles 13–15). Capacity on offer needs to account for any limitations stemming from scheduled maintenance,

while the daily offering of the product may need to factor in that the corresponding gas products may be structured differently for weekends and bank holidays.

We welcome the targeted TAR NC amendment, although the text **should require NRAs to reflect the remaining number of gas days in the BoM multiplier**, with a transparent formula and publication of the applicable schedule.

3. **Clarify the implementation timelines** (Articles 15, 16 and 18) The proposal specifies that the new arrangements for monthly auctions, additional auctions and balance-of-the-month products will apply to capacity products starting from gas year 2027/2028. However, it remains unclear precisely when the revised rules will first apply to individual auction processes, particularly where auctions take place before the start of the relevant gas year. It is important that the booking platforms are fully prepared for any agreed start date, with the necessary operational arrangements and processes in place to support a smooth implementation and minimise the risk of any disruption to auctions once the new arrangements go live.

   We also note that the implementation date for bringing forward the closure time for the first bidding round of the within-day auctions has not been specified.

4. **Clarify that NC CAM sets a minimum common EU standard for maximizing capacity made available to the market participants** without precluding the right for the TSOs to develop additional booking options. Whenever possible, without compromising the common agreed rules set by the Code, network operators should be allowed to offer additional capacity products (such as balance-of-week) and booking opportunities, provided they do so in a transparent way on the dedicated platforms.

Detailed comments

Give users adequate visibility of auctioned quantities

Under Article 15(12) and Article 16(9), transmission system operators need to notify users of quantities for additional auctions only one hour before opening. This is insufficient for market participants, where trading desks may need to assess price spreads, secure internal limits, arrange collateral and execute approval processes. We recommend publication of the expected offered quantity **at least one full business day before the auction**, on the relevant booking platform and in a machine-readable format. TSOs should publish changes as soon as identified and a final update no later than one hour before opening, with material revisions clearly flagged.

Clarify the application of capacity set-aside in additional auctions

The Article 15(11) formula subtracts an amount "set aside in accordance with Article 9(7)" from available technical capacity. That wording should distinguish capacity still subject to a future first-offer reservation from capacity whose prescribed release date has passed. Otherwise, the same set-aside could continue to be deducted from later additional quarterly or monthly auctions even after it should have become available.

Reflect the declining duration in the BoM multiplier

The targeted amendment to NC TAR is a necessary and welcome component, but the interval alone does not guarantee that the tariff is appropriate throughout the month. If an NRA adopts one fixed BoM multiplier close to the daily multiplier, a product covering nearly an entire month may be unnecessarily expensive relative to a monthly booking; if the fixed value is very close to the monthly multiplier, a two-day BoM booking may not reflect the relative pricing of short-term products. The relative attractiveness of the product could vary arbitrarily among markets. Our response to ACER's October 2024 consultation argued explicitly for a duration-sensitive approach. We reiterate that the BoM multiplier should approach the monthly multiplier when the number of remaining gas days is high and approach the daily multiplier as the covered period becomes short. The TAR NC should require NRAs to take account of the duration, rather than simply allowing a value anywhere between the two reference multipliers. In this spirit, we recall the formula for calculating the BoM multiplier that was discussed during ACER consultation in the annex to our response.

Correct a contradiction in the final BoM auction date

Article 16(3) provides that the last BoM product lasts **two gas days**, and Article 16(4) that each BoM product starts on the **second gas day after the auction day**. Yet the final sentence of Article 16(4) says that the last auction is held **four days before the end of the month**. Taken literally, this creates a three-day product, not a two-day product: in a 31-day month an auction on the 27th allocates capacity for the 29th–31st. To produce a two-day final contract, the final auction should occur **three gas days before the last gas day of the month** (the 28th in that example), or the article should be rewritten using an unambiguous inclusive-date rule.

Adapt the BoM capacity offers to market reality

BoM auctions are proposed daily, including weekends and public holidays. While that is not inherently undesirable given that the gas system runs every day, gas trading conventions,

collateral processes and staffed trading resources may differ on non-business days. **We ask the Commission and ENTSOG to test the operational design with shippers before go-live**, to provide clear weekend and holiday calendars, and to support automated submissions and consistent publication of outcomes. Changes to the frequency or product structure should be evidenced, not assumed. We propose strengthened wording

Maintenance also requires care. A firm BoM strip should not be sold at a quantity greater than can be reliably provided on **every gas day included** in the strip, accounting for confirmed maintenance, other binding commitments and system safety. Planned reductions must be published sufficiently early, included in quantity calculations and reflected in user's expectations.

Fix a technical error in outlining the duration of the break between the bidding rounds

Proposed article 20 (2) now stipulates that "*The duration between the first bidding round and the **last** bidding round shall not be less than 30 minutes and not exceed three hours(…)"* – we understand the intent that the minimum duration time was intended to be set between the first and the ***next*** bidding round.

Other remarks

Publication of the auction calendar – Article 9(1)

We welcome the proposed adjustment of the harmonised auction calendar to cover the period from July to June of the following year, while retaining January as the publication deadline. This change should improve alignment with the annual capacity auction cycle and provide network users with greater visibility of upcoming auction opportunities, particularly in view of the introduction of additional capacity auctions. We also welcome the transitional provision ensuring coverage of auctions taking place between March and June in the first year of implementation.

Ascending clock auction algorithm – Article 20 (11)

Regarding the change of Large Price Step or Small Price Step after the closure of the last auction round of that auction day as mentioned on Art 20 (11). If the aim of this change is to reduce the number of auction rounds in order to prevent the situation where auctions might not reach a timely closure. Any adjustment to the LPS/SPS during an auction should be duly justified and predictable. We underline that any

change made by TSO's with a larger price step during an ongoing auction should be more transparent, clearly justified and fair to all auction participants.

Daily capacity conversion – Article 24

Our association has long argued that the capacity conversion service would bring most benefits when allowing holders of mismatched capacity to use it for daily products specifically. We therefore appreciate this long-awaited expansion of the service.

Interruptible products and virtual reverse flow — Article 27

We appreciate explicit clarification in Article 27(3), designed to prevent unjustified restriction of interruptible offer levels in the reverse-flow direction relative to forward nominations. It can improve utilisation and commercial responsiveness with no negative consequences.

In addition, we are in favour of retaining an auction premium as a trigger for offering interruptible capacity. This can be achieved by reintroducing the criterion "was sold at an auction premium" in article 27(1), as provided for in article 32(1) of the current CAM NC.

We also support offering unbundled interruptible DA capacity while firm capacity remains available. This reflects successful established practice in Germany, where interruptible DA capacity provides shippers willing to accept interruption risk with a commercially valuable alternative to firm capacity.

Modification of technical parameters — Articles 32 and 33

We recognise the benefits of allowing ENTSOG to update genuinely technical parameters without a complete legal revision. The powers set by Article 33 should nevertheless be tightly bounded: the process should include a meaningful public consultation, publication of a reasoned assessment addressing network-user views, an ACER regulatory opinion or equivalent oversight for material market-impacting changes, and sufficient notice before the new settings apply.

Implementation timelines

As shown during the July 2025 auctions of annual capacity products held via the PRISMA platform, which resulted in several cancellations and duplicate reporting of

acquired products, the amendment process should offer generous implementation timelines to minimize the impact on TSOs and the risk for errors. This should particularly be so at complex interconnection points with competing auctions, and hence various TSOs feeding data, so that shippers' booking strategies are not exposed to one another.

Finally, an increasing number of products and auctions, operating across several European booking platforms, risks becoming increasingly cumbersome. We encourage further platform consolidation or, at minimum, full interoperability and harmonised processes and functionalities across platforms. For this reason, the parallel revision of the INT NC is a necessary complementary step. Our proposed amendments to articles 20 and 23 of the INT NC (in line with the FUNC Issue 01/2019 on the missing harmonisation of interfaces across capacity booking platforms) should therefore be promptly implemented to ensure a single interface across all booking platforms through the extension of the protocols defined in the code.

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Annex – text amendment proposals.

NC CAM

Article 10 (5):

Balance-of-the-month standard capacity products shall be the capacity which may be applied for, in a given amount, by a network user for ~~all remaining gas days in a specific calendar month, and for at least two consecutive days, starting from the second gas day after the auction day and ending on the last gas day of that calendar month~~ each gas day from the first gas day following the relevant prompt period until, and including, the last gas day of the calendar month in which the balance-of-the-month delivery period starts.

For the purposes of this Article, the relevant prompt period shall be the earlier of:

(a) the next business gas day following the auction day; or

(b) the next non-business period following the auction day, including but not limited to the first Saturday and Sunday following that day, together with any contiguous non-business gas days, or any other period of one or more consecutive non-business gas days specified in the applicable auction calendar.

Where the relevant prompt period covers the last gas day or gas days of the calendar month in which the auction takes place, or extends into the following calendar month, the balance-of-the-month delivery period shall start on the first gas day following the end of that prompt period and shall end on, and include, the last gas day of the calendar month in which it starts.

The business and non- business gas days/periods applicable to balance-of-the-month standard capacity products shall be determined in accordance with the London (UK) calendar and shall be specified in the auction calendar.

NC TAR

Article 1 Regulation (EU) 2017/460 is amended as follows:

1. *in Article 13(1), the following point is added: '(c) for balance-of-the-month standard capacity products, the level of the respective multipliers shall ~~be between the daily multiplier set in accordance with point (b) and the monthly multiplier set in accordance with point (a) or, where those multipliers are the same, equal to those multipliers.'~~ calculated according to the following formula:*
   *Mbom= [(Md – Mm) * ((Dmax-D)/Dmax)] +Mm*

   where:
   Md = daily multiplier established in accordance with point (b)
   Mm = monthly multiplier established in accordance with point (a)
   Mbom = balance-of-the-month multiplier
   T = reference price
   D = number of days in the product
   Dmax = number of days in the month