

Market information regarding VIP-implementation

(1 March 2018)

Article 19 Paragraph 9 of the Regulation (EU) 2017/459 (NC CAM) foresees the establishment of virtual interconnection points (VIP). The concerned German Transmission System Operators (TSOs) have jointly agreed on a possible model for the VIP-implementation

What are the main elements of the model?

- Per VIP only one TSO (“VIP-TSO”) is responsible for marketing and operation of capacities in the relation with the transport customers. New contracts on the VIP will only be concluded with this “VIP-TSO” and will not be apportioned among the concerned TSOs later on. All concerned TSOs per VIP receive contractual information of all capacity contracts concluded on the VIP
- This also applies to capacities with usage restrictions and/or usage conditions as well as for interruptible capacities
- As soon as capacity booking is possible on VIPs, the marketing of available capacities at the interconnections points (IPs) constituting the VIP will no longer be possible
- Existing contracts will remain at the IP with the current TSO, will be nominated at the IPs and will be invoiced with the tariff relevant for that IP. Secondary trading of existing capacity contracts will take place at the IP.
- Today’s amount of transport capacity from/to Germany will be sustained on current level and quality

Which VIPs will be established and who will be the VIP-TSO on each VIP?

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VIP	“VIP-TSO”	Concerned TSOs per VIP	Former IPs
NCG (H)*	GASCADE	Fluxys DE GASCADE GUD ONTRAS	Gernsheim, Lampertheim IV, Broichweiden Süd, Emsbüren Berge, Kienbaum, Steinitz, Drohne NOWAL, Achim II, Bunder Tief, Wardenburg, Vitzeroda MÜP, Zone OGE/GASCADE
NCG (L)	NOWEGA	NOWEGA GUD	Zone OGE L, Ahlten, Steinbrink

VIP	"VIP-TSO"	Concerned TSOs per VIP	Former IPs
Netherlands (H)*	GUD	GASCADE GUD	Oude Statenzijl (H), Bunde
Netherlands (L)*	GTG	GTG GUD	Oude Statenzijl (L) (GTG), Oude Statenzijl (L) (GUD)
Poland E-Gas (Transmission)	ONTRAS	ONTRAS	Lasow, Kamminke, Gubin (IP's already virtualised since 01/04/2016 to GCP GAZ-SYSTEM/ONTRAS)
Czech Republic	GASCADE	GASCADE ONTRAS OGT	Olbernhau II, Brandov-STEAGAL, Deutschneudorf, Brandov OPAL (only interruptible capacity)

*The establishment of these VIPs is still under consideration.

NCG

VIP	"VIP-TSO"	Concerned TSOs per VIP	Former IP
GPL (H)*	OGE	GRTgaz D OGE TG tnbw	Gernsheim, Lampertheim IV, Broichweiden Süd, Emsbüren Berge, Kienbaum, Steinitz, Drohne NOWAL, Achim II, Bunder Tief, Wardenburg, Vitzeroda MÜP, Zone OGE/GASCADE
GPL (L)	OGE	OGE	Zone GUD L, Ahlten, Steinbrink
Netherlands (H)*	In negotiation	Fluxys TENP OGE TG	Bocholtz (Fluxys TENP), Bocholtz (OGE), Oude Statenzijl, Bocholtz-Vetschau

VIP	“VIP-TSO”	Concerned TSOs per VIP	Former IP
Netherlands (L)*	TG	OGE TG	Elten, Vreden, Tegelen, Haanrade, Zevenaar
Belgium	In negotiation	Fluxys TENP OGE TG	Eynatten-Raeren, Eynatten, Lichtenbusch
France	GRTgaz D	GRTgaz D OGE	Medelsheim (GRTgaz D), Medelsheim (OGE)
Switzerland	In negotiation	Fluxys TENP OGE	Wallbach (Fluxys TENP) Wallbach (OGE)
Austria*	OGE	GRTgaz D OGE	Oberkappel (GRTgaz D), Oberkappel (OGE), Überackern (OGE)
Czech Republic	OGE	GRTgaz D OGE	Waidhaus (GRTgaz D) Waidhaus (OGE)

* The establishment of these VIPs is still under consideration.

How will the VIP tariffs be calculated?

- Calculation of VIP tariffs follows the same principles as the calculation of IP-tariffs
- VIP tariff calculation according to Art. 22 Regulation (EU) No. 2017/460 (NC TAR):
 1. Jointly performed forecast of contracted capacity per VIP of all concerned TSO
 2. Allocation of forecasted contracted capacity to respective TSOs via a predefined key (for example assigned technical capacity)
 3. Individual tariff calculation per TSO (also taking into account allocated share of contracted capacity forecast on the VIP)
 4. VIP tariffs:

$$\frac{\sum_{i=1}^n (IP\text{-tariff of } TSO_i \times \text{allocated share of contracted capacity forecast of } TSO_i)}{\sum \text{total VIP contracted capacity forecast}}$$

Current status of the VIP-discussion

- In addition to the statements of the Higher Regional Court (Oberlandesgericht, OLG) Düsseldorf in the context of the HoKoWä-ruling both verbally (October 2017) and in written form (November 2017), the European Commission has also expressed its view on the interpretation of NC CAM rules regarding VIP implementation in a letter in December 2017.
- These statements are being interpreted differently and raise questions in particular from which point in time onwards capacity bookings must or may be enabled on the VIP.
- Due to this, the Dutch TSO Gasunie Transport Services (GTS) - in coordination with the Dutch regulatory authority ACM – has decided to postpone VIP-implementation until the regulatory framework conditions are clarified and has communicated this decision on 23 January 2018. Furthermore, GTS has asked ACER and ENTSOG to clarify the regulatory framework. In this context, GTS and Gasunie Deutschland (GUD) have reported this issue to the ACER/ENTSOG Functionality Platform. They propose to amend the NC CAM wording.
- In view of the above, the concerned German TSOs are assessing further steps and are also in contact with the German regulatory authority BNetzA. Currently, two implementation forms are being discussed:
 1. a model where the existing contracts remain on the IP and only available capacities are marketed on the VIP, starting on 1.11.2018
 2. a model where all capacity is marketed on the VIP as soon as the last existing contract at the relevant IPs has ended; until that point in time, capacity is marketed at the IPs (implying that the date up to which new contracts on the IP can be concluded is defined by the longest lasting existing contract at that IP on the date of the VIP implementation set out by the NC)

This market information displays the current status of the VIP-discussions. As soon as there is more clarity regarding the next steps, the concerned German TSOs will inform the market accordingly.