Congestion Management Procedures (CMP) at Interconnection Points

Implementing Regulation EC No 715/2009

Code Modification No. A067

Business Rules
Consultation draft for industry review

July 2015

Version 1.0
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<th>Source</th>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 April 2013</td>
<td>European Commission</td>
<td>Capacity Allocation Mechanism Network Code (CAM NC) as approved at the Comitology meeting, 15 April 2013.</td>
</tr>
<tr>
<td>6 July 2015</td>
<td>Premier Transmission Ltd</td>
<td>Transportation Code Modification 36 - Proposal to revise the Congestion Management Procedures in the NI regime to reflect the introduction of an entry-exit transmission model.</td>
</tr>
</tbody>
</table>

Table 1 - Supporting Documentation
1. INTRODUCTION

The requirements of Regulation EC 715/2009, (‘the Regulation’) and amended by the European Commission Decision of 24 August 2012, relating to Congestion Management Procedures (CMP) were incorporated into the Code of Operations in 2013 (see Code Modification A058). However with the introduction of CAM Network Code Regulation 984/2013 it is necessary to modify the previously implemented CMP mechanisms.

The aim of the CMP guidelines is to address the issue of contractual congestion at Interconnection Points between adjacent gas transmission systems, where Shippers cannot gain access to Capacity in spite of the physical availability of such Capacity. CMP mechanisms aim to maximise the Capacity which is available to Shippers and bring unused Capacity back to the market to be resold through regular Capacity booking procedures. While the phenomenon of Shippers ‘hoarding’ Capacity is relatively common in Europe, it has not been identified as an issue in Ireland to date.

Accordingly, while the Transporter incorporated the CMP mechanisms in the Gaslink Code of Operations (the Code) by 1 October 2013, it does not anticipate that the mechanisms will be operational until contractual congestion arises. Analysis suggests that this will not arise in the short to medium term therefore systemisation of the mechanisms will not be developed by 1 November 2015. An annual review of Capacity bookings at each Interconnection Point (Moffat Entry Point and South North Connected System Exit Point), and demands for Capacity at those Points, will determine whether CMP mechanisms are to be activated. The first such annual review was conducted in April 2014 and showed no Contractual Congestion at either Moffat or the South North Interconnection Point.

CMP involves a suite of four distinct mechanisms, with further detail in relation to each provided in the main body of this paper:

1. Surrender of Contracted Capacity;
2. Long Term Use It or Lose It;
3. Oversubscription and Buyback; and
4. Firm Day Ahead Use It or Lose It.

The first three mechanisms listed above were required by the Regulation by 1 October 2013, while a decision was taken in May 2015 by GNI and the CER not to implement the Firm Day Ahead Use It or Lose It mechanism.

The introduction of the Capacity Allocation Mechanisms (CAM) Network will result in substantial changes to existing Capacity booking arrangements under the Code. CAM will require a single ‘bundled’ Capacity product to be sold at an Interconnection Point (e.g. Moffat bundled Capacity = NTS Exit Capacity + Gaslink Entry Capacity. Where excess capacity is available on one side of an IP this may be sold unbundled should the relevant
TSO decide to do so. All such Capacity will be sold via an auction process on a ‘joint’ I.T. platform\(^1\).

The Transporter therefore adopted a two phase approach to the introduction of CMP. Code Modification A058 implemented in 2013 involved the incorporation of CMP measures into the Code alongside the existing Capacity booking processes.

The purpose of this current modification proposal A067 is to amend the existing procedures such that they are consistent with the changes arising from the implementation of the Capacity Allocation Mechanisms (CAM) Network Code in November 2015 (see Code Modification A062 for further information). Effectively, this means that the congestion management procedures in the Code are to be amended to be compatible with bundled capacity, PRISMA auctions and quarterly capacity. These amendments will result in greater need for communication between adjacent TSO’s to coordinate, where possible, the implementation of CMP mechanisms.

These Business Rules should be read in conjunction with the adjacent TSO’s proposals for implementing CMP mechanisms, as set out in Table 1 - Supporting Documentation.

This paper sets out the background and rationale which underpin the introduction of CMP in the European Union, and summarises the Transporter’s proposed approach to CMP implementation in the Irish context. It explains how CMP will be aligned with the new Capacity Allocation Mechanism Network Code, and with National Grids processes. It also explains the 2015 proposals for the Congestion Management Procedures (CMP) Business Rules, which relate to the following mechanisms;

1. Surrender of Capacity
2. Oversubscription & Buyback (OS & BB)
3. Long Term Use It or Lose It (LT UIOLI)

The Firm Day Ahead Use It or Lose It mechanism will not be addressed in these Business Rules.

The terms used in this document are as defined in the Code unless specified otherwise in Appendix 1.

Please note that the terms outlined in this paper serve as guidelines only and are not to be considered as legal definitions. This is not a legal document, it is without prejudice to whatever legal rules are developed with respect to the subject matter of this paper.

---

\(^1\) The Joint Capacity Booking Platform utilised will be PRISMA.
1.1. Overview of CMP Mechanisms

The individual CMP mechanisms are described at a high level below. The mechanisms are described in more detail in Sections 3 to 5.

1.1.1 Surrender of Contracted Capacity

A Shipper(s) may offer to surrender Capacity to the Transporter which it does not expect to use, and may specify the amount and period for which it is available for surrender. The Shipper will make the offer to surrender through PRISMA and if validated by the Transporter this Capacity will be available to be booked by other Shippers through the usual Capacity booking procedures on PRISMA. In the case of a Bundled Product, this will need to be validated by both TSO’s at the IP. Note that Capacity Offered for Surrender will only be sold after all Uncontracted Capacity is sold. A Shipper offering Capacity for surrender to the Transporter retains certain rights and obligations, including the obligation to pay all Capacity related charges, with respect to the Capacity save in respect of the period for which the Transporter notifies the Shipper that its offer of surrender is being accepted (which may be for all or part of the Shipper's Capacity Booking) and which shall commence on the effective date of the new Capacity booking.

1.1.2 Long Term Use It or Lose It

Shippers who systematically underutilise their Capacity at an Interconnection Point may have Capacity (fully or partially) withdrawn if there is sufficient demand for Capacity from other Shippers. The Shipper from which the Capacity is withdrawn shall lose its rights and obligations, including the obligation to pay all Capacity related charges, with respect to the Capacity in whole or in part for a specified period or for the remainder of the Contract term, such loss to commence on the effective date of the new Capacity booking. For a bundled product the intention to withdraw capacity will be communicated to the relevant Authority in the adjacent jurisdiction.

1.1.3 Oversubscription and Buyback

The Transporter may elect to offer an amount of Oversubscription Capacity (additional Firm Capacity over and above Technical Capacity) for sale to the market. This capacity will be submitted to PRISMA as Available Capacity, and bundled by PRISMA wherever possible. Should the Transporter subsequently become aware that it will be unable to deliver the required physical flows, it may initiate a market based buyback procedure. In such an instance, Shippers will be invited to sell Capacity back to the Transporter, specifying the price they wish to be paid. Where the Transporter buys back Capacity from a Shipper, the Shipper shall remain liable for payment of all Capacity related charges, but shall receive a credit at the declared price with respect to the amount of Capacity returned to the Transporter.
1.1.4 Treatment of Capacity Sold Pursuant to CMP Mechanisms

The CMP mechanisms outlined in 1.1.1 to 1.1.3 should result in Capacity, which would otherwise be unavailable, becoming accessible to the market. The treatment of this Capacity is an important aspect for consideration. The following are some key principles to note in this regard:

### 1. Firm Status

Capacity which is made available to the market as a result of the application of any of the CMP mechanisms is made available as Primary Capacity on a firm basis.

### 2. Publication of Bookable Capacity Amount

When publishing an amount of Capacity which is available to be booked at an Interconnection Point, the Transporter shall make no distinction between Capacity which has originated from the various CMP mechanisms or otherwise. Effectively, this means that a *single aggregate figure* of Bookable Capacity will be published, potentially comprising:

- a. Uncontracted Capacity;
- b. Capacity offered for surrender;
- c. UIOLI Capacity; and
- d. Oversubscription (OS) Capacity.

All and any Bookable Capacity will be priced according to the prevailing published Capacity tariffs, irrespective of the origin of the Capacity.

<table>
<thead>
<tr>
<th>Uncontracted Capacity:</th>
<th>Technical Capacity (other than Technical Capacity which is made available by the Transporter pursuant to CMP mechanisms) which, at a given point in time, is not contracted to a Shipper and is available to be booked directly from the Transporter.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Offered For Surrender:</td>
<td>Capacity which a Shipper offers to the Transporter for surrender.</td>
</tr>
<tr>
<td>Note:</td>
<td>this Capacity remains contracted to the Surrendering Shipper until the Capacity is resold by the Transporter. Surrender may be for an amount or period which is less than the amount or period of the Surrendering Shipper’s Capacity booking.</td>
</tr>
<tr>
<td>UIOLI Capacity:</td>
<td>Capacity which may be booked directly from the Transporter, and which the Transporter has previously</td>
</tr>
</tbody>
</table>
withdrawn from Shippers pursuant to the Use It or Lose It Mechanisms.

Note: this Capacity remains contracted to the Shipper until such time as the Capacity is resold by the Transporter.

<table>
<thead>
<tr>
<th>Oversubscription Capacity:</th>
<th>Capacity in excess of Technical Capacity, made available pursuant to the oversubscription and buyback scheme, which may be booked using the Joint Booking Platform.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookable Capacity</td>
<td>Capacity (either Technical or Oversubscription) which is available, at a given point in time, to be booked from the Transporter using the Joint Booking Platform.</td>
</tr>
</tbody>
</table>
3. **Merit Order**

Where the Transporter sells Capacity which has become available as a result of CMP mechanisms, it shall be deemed to follow a defined merit order. While this merit order is irrelevant to the Shipper who is booking the Capacity, it is critical to any Shipper who loses rights with respect to the capacity either by way of surrender or UIOLI, insofar as that Shipper is no longer liable for Capacity related charges (for the periods to which the surrender or UIOLI applies) and no longer has rights to utilise the relevant capacity for that period. Capacity is considered to be sold in accordance with the following merit order:

Additionally, where multiple Capacity surrenders have been proposed to the Transporter, the Capacity Surrenders will be resold by the Transporter on a First Come First Served basis. A similar approach is to be applied to Capacity withdrawn through Use It or Lose It mechanisms.
### 1.1.5 Overview of Changes to CMP Mechanisms Required

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Pre CAM</th>
<th>Change required Post CAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Subscription &amp; Buy – Back</td>
<td>• Additional capacity to be offered by TSO on the primary market.</td>
<td>• TSO will notify adjacent TSO when OS &amp; BB mechanism is to be implemented at an IP.</td>
</tr>
<tr>
<td></td>
<td>• Market-based buyback procedure, through which Shippers may offer Capacity for sale to the Transporter.</td>
<td></td>
</tr>
<tr>
<td>Long Term UIOLI</td>
<td>• Capacity that is <strong>systematically underutilised</strong> may be withdrawn by TSO if IP is contractually congested.</td>
<td>• For a Bundled Product, TSO shall notify relevant adjacent authority when initiating Withdrawal Process.</td>
</tr>
<tr>
<td></td>
<td>• Underutilisation shall be determined by the TSO.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Shipper can appeal first to TSO and subsequently to CER.</td>
<td></td>
</tr>
<tr>
<td>Surrender of contracted Firm Capacity</td>
<td>• Shippers submit &amp; Update Surrender Requests through GTMS.</td>
<td>• Shippers submit Surrender Requests through PRISMA.</td>
</tr>
<tr>
<td></td>
<td>• Submission deadline is 15 days prior to start of Time Period specified for Surrender. Surrender Request validated by TSO.</td>
<td>• Shippers update/withdraw requests via TSO’s I.T. systems.</td>
</tr>
<tr>
<td></td>
<td>• Surrender Request for Bundled Capacity validated by both TSO’s.</td>
<td>• Surrender Request for Bundled Capacity validated by both TSO’s.</td>
</tr>
<tr>
<td></td>
<td>• Submission deadline is 5 days prior to publication of Available Capacity at an auction.</td>
<td></td>
</tr>
</tbody>
</table>

### 1.2. Document Structure & Objectives

This document analyses the changes required for each of the four mechanisms as a result of CAM requirements, as well as the need to cooperate with adjacent TSO’s. Proposals are made on the implementation of each of the first 3 mechanisms in order that the required deadlines may be achieved. The main objectives of the document are to:

a) ensure that all of the provisions of CMP are addressed;
b) ensure compliance with the provisions of CAM; and
c) develop cost effective solutions for Phase 2 (Post CAM).

The document is divided into the following sections, focusing specifically on each of the mechanisms and on their activation as follows:
a) Section 2 – Activation of CMP Mechanisms;
b) Section 3 – Surrender of Contracted Capacity;
c) Section 4 – Long term Use It or Lose It;
d) Section 5 – Over Subscription and Buy-Back; and
e) Section 6 – Transparency.

In turn each of the above sections is sub-divided into the following areas:

a) Overview;
b) High Level Principles; and
c) Business Rules.

A Glossary of terms is included in Appendix 1 which further expands the list of definitions as required by this document.

1.3. General High Level Principles

- The Congestion Management Procedures will only apply at Interconnection Points i.e. the Moffat Entry Point and the South-North Connected System Exit Point.
- The Transporter is committed to EU compliance within the required timeframes.
- Defined terms are as in the ‘Gaslink Code of Operations’ (the Code) unless specified otherwise.

1.4. CMP Implementation Timelines

As outlined in the introduction to this document, these procedures are being implemented in two phases, Pre-CAM and Post CAM. Phase 2 will be implemented in conjunction with CAM by 1 November 2015.

In terms of the Gaslink Code of Operations, the rules in respect of three of the mechanisms, ‘Surrender of Contracted Capacity’, ‘Long Term Use It or Lose It’ and ‘Oversubscription and Buyback’ were put in place by 1 October 2013.

The CAM Network Code is required by 1 November 2015. As such any alterations to the CMP mechanisms put in place in Phase 1 will need to be complete by 1 November 2015.

Though the rules in respect of all mechanisms need to be in place in the Code by the specified dates, the mechanisms will not be activated until such time as the relevant Interconnection Point (IP) has been defined to be contractually congested. The determination of contractual congestion will be discussed further in the sections relating to each of the procedures. The timelines for the implementation of all mechanisms are summarised in Table 2.
<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Gaslink Code</th>
<th>CMP/CAM</th>
<th>Date Required in Code</th>
<th>Required operationally &amp; in IT systems*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Subscription &amp; Buy – Back</td>
<td>✓</td>
<td>✓</td>
<td>1st November 2015</td>
<td>In October of Gas Year Y, when contractual congestion has been determined in April of Gas Year Y-1 by the Transporter.</td>
</tr>
<tr>
<td>Firm Day Ahead UIOLI</td>
<td>X</td>
<td>X</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Surrender of contracted Firm Capacity</td>
<td>✓</td>
<td>✓</td>
<td>1st November 2015</td>
<td>In October of Gas Year Y, when contractual congestion has been determined in April of Gas Year Y-1 by the Transporter.</td>
</tr>
<tr>
<td>Long Term UIOLI**</td>
<td>✓</td>
<td>✓</td>
<td>1st November 2015</td>
<td>In October of Gas Year Y, when contractual congestion has been determined in April of Gas Year Y-1 by the Transporter.</td>
</tr>
</tbody>
</table>

* Based on historical and forecast Capacity Bookings.
** New Use It or Lose It mechanisms to be introduced at Moffat Entry Point and the South-North Connected System Exit Point.
X - Not required or not implemented, ✓ - Required or implemented, ✓ - Existing but does not meet CAM

Table 2 – Anticipated CMP Timeline
2. ACTIVATION OF CMP MECHANISMS

The Regulation requires CMP mechanisms to address the issue of contractual congestion at Interconnection Points. As contractual congestion does not currently exist at the Moffat Entry Point or the South North Connected System Exit Point, the Transporter does not propose to activate CMP mechanisms initially (i.e. the CMP mechanisms will not be operationally available, nor will they be systemised in the I.T. systems by 1 November 2015). The Transporter will, however, keep the Interconnection Points under review in relation to contractual congestion and shall activate CMP mechanisms at an Interconnection Point if it is deemed to be contractually congested in accordance with this Section 2. Should the annual assessment (which takes places each April, the first such assessment completed in April 2014) require activation of CMP mechanisms, the mechanisms would be systemised in the I.T. systems by 1 October of the next Gas Year.

2.1. CMP Activation Test

2.1.1 A determination as to whether CMP mechanisms should be activated for a given Gas Year ‘Y’ shall be published by the Transporter no later than 1 May of Gas Year ‘Y - 1’.

2.1.2 The first such annual review was conducted in April 2014 with the second report in April 2015. Each of these reports determined that no contractual congestion was occurring.

2.1.3 CMP measures shall be activated at an Interconnection Point for year ‘Y’ where, with the exception of Emergency Days:

a) Requests for Capacity bookings in excess of 100% of Technical Capacity have been received for more than 15 days, of which not less than 5 shall be consecutive, in the period commencing on 1 April ‘Y – 2’ and ending on 31 March ‘Y – 1’; or

b) Capacity bookings were greater than 95% of Technical Capacity for more than 31 days, of which not less than 15 shall be consecutive, in the period commencing on 1 April ‘Y – 2’ and ending on 31 March ‘Y – 1’; and

c) The Transporter reasonably expects that contractual congestion will reoccur during Gas Year Y, taking into account:

i. the forecast demand for Capacity in Gas Year Y; and

ii. the contributory factors associated with the occurrence of contractual congestion during the assessment period.

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2 Factors to be considered include (but are not limited to) the frequency of unusually cold days with low wind speeds, prolonged periods with temperatures below typical winter temperatures etc.
2.1.4 Notwithstanding the provisions of 2.1.3, the Transporter reserves the right to activate CMP mechanisms at any time, subject to written approval from the CER.

2.1.5 Where the Transporter activates CMP mechanisms in accordance with 2.1.4, the Transporter shall inform Shippers of the date which the respective products will be activated.
3. SURRENDER OF CONTRACTED CAPACITY

3.1. Overview

3.1.1 Clause 2.2.4 of Annex 1 of EC715/2009 outlines the requirements of Surrender of Contracted Capacity as one of the CMP mechanisms.

3.1.2 Section 3.2 sets out the high level principles applied in the development of the Surrender of Contracted Capacity mechanism for the Gaslink Code of Operations.

3.1.3 Section 3.3 provides specific details in terms of the Transporter’s proposal.

3.2. High Level Principles

3.2.1 The Transporter shall, if CMP mechanisms have been activated in accordance with Section 2, facilitate the submission of Shipper requests to surrender (for specified periods) Primary Capacity held by the Shipper for durations which are monthly, quarterly or annual, at an Interconnection Point.

3.2.2 A Shipper wishing to surrender capacity must submit the Surrender Request via PRISMA. The data for the surrender of capacity is sent to the TSO. For bundled capacity, the data is sent to both participating TSO’s by PRISMA.

3.2.3 If the TSO rejects the Surrender Request the Shipper will receive an error notification.

3.2.4 If the TSO accepts the Surrender Request the Shipper receives a confirmation email.

3.2.5 In case of bundling, a confirmation message is sent, in order to inform both TSO systems that the participating TSO’s successfully accepted the data for the surrender of capacity.

3.2.6 If one of the TSO’s fails to validate a Surrender Request for a bundled product then the entire Request is rejected.

3.2.7 The validation of a Surrender Request by both TSO’s does not guarantee that both TSO’s will sell that Surrendered Capacity.

3.2.8 The Transporter, upon validation of a Capacity Surrender Request, shall add the Capacity Offered for Surrender to the Available Capacity submitted to PRISMA, in accordance with the Capacity booking procedures to be implemented under CAM.

3.2.9 Capacity Offered For Surrender may be offered to the market, in accordance with the merit order specified in 1.1.4, at Capacity product durations which are less than the product duration of the Capacity Offered For Surrender, with the exception of Monthly and Daily Capacity:

a) Annual Capacity may be offered as Annual, Quarterly, and Monthly Capacity;
b) Quarterly Capacity may be offered as Monthly Capacity.

3.2.10 The Surrendering Shipper shall retain certain rights as well as its obligations under the Capacity contract, including the obligation to pay all Capacity related charges, until the Capacity Offered for Surrender is subsequently resold to another Shipper.

3.2.11 The Surrendering Shipper's rights and obligations with respect to Capacity shall be suspended for the period for which the surrender is accepted (and with respect to the amount of Capacity surrendered) and shall be reinstated (where applicable) following the expiry of such period.

3.2.12 Capacity Offered for Surrender may only be resold by reference to the merit order as outlined in Section 1.1.4.

3.2.13 Where Valid Capacity Surrender Requests from multiple Shippers (or multiple Valid Capacity Surrender Requests from the same Shipper) are received by the Transporter, the Capacity Offered for Surrender shall be resold on a first come first served basis, in accordance with the timestamp of the receipt of the Valid Capacity Surrender Requests.

### 3.3. Business Rules

#### Capacity Surrender Process:

3.3.1 The Shipper shall notify the Transporter of its request to surrender Capacity via PRISMA, in the form of a ‘*Capacity Surrender Request’*, including:

- a) Capacity Booking Reference Number;
- b) the time period for which the surrender is available (within the duration of the capacity contract);
- c) Whether capacity is bundled/unbundled;
- d) Interconnection Point; and
- e) Amount to be surrendered (kWh/d).

3.3.2 The data for the surrender will be sent to the TSO(s) by PRISMA, to be validated/rejected.

3.3.3 Once an IP is deemed to be contractually congested by the Transporter Users may submit Surrender Requests at any time, but only those offers received by the Surrender Submission Deadline will be considered for reallocation in that auction. The Surrender Submission Deadline for an auction shall be 5pm, 5 business days prior to the day that the amount of available capacity for an auction is published. Based on the current ENTSOG auction calendar the Surrender Submission Deadlines are:

- a) 5pm one month plus 5 business days before an Annual Yearly Capacity auction;
3.3.4 The Transporter may reject a Capacity Surrender Request if:
   a) the Capacity Surrender Request is not submitted in accordance with the requirements of 3.3.1; or
   b) the Capacity Surrender Request is not submitted prior to the dates specified in 3.3.3; or
   c) requested Amount to be surrendered is less than 100,000 kWh/d.

3.3.5 Shippers may request an amendment or withdrawal of a Capacity Surrender Request or a Valid Capacity Surrender Request, only via the Transporter’s I.T. Systems (not PRISMA) by submitting a Capacity Surrender Update, including:
   a) reference number of Capacity Surrender Request to which the Capacity Surrender Update relates;
   b) the revised Amount to be surrendered (kWh/d), if the update is to revise the Amount to be surrendered; and
   c) the revised time period, if the update is to revise the time period.

3.3.6 The Transporter may reject the Capacity Surrender Update if:
   a) the Capacity Surrender Update is not submitted in accordance with 3.3.5; or
   b) the Capacity Surrender Update is not submitted prior to the date specified in 3.3.3; or
   c) The Capacity Surrender Update refers to a Bundled Product and the adjacent TSO has communicated that it has rejected the update.

3.3.7 The Transporter shall notify the Shipper of its Capacity Surrender Request validation or Capacity Surrender Update validation in accordance with 3.3.1 or 3.3.5 respectively, no later than 3 Business Days after receipt of the Capacity Surrender Request or Capacity Surrender Update by the Transporter.

3.3.8 The Transporter shall notify the Shipper of its Capacity Surrender Request rejection or Capacity Surrender Update rejection in accordance with 3.3.4 or 3.3.6 respectively, no later than 3 Business Days after receipt of the Capacity Surrender Request or Capacity Surrender Update by the Transporter.

3.3.9 Where a Capacity Surrender Request or Capacity Surrender Update is validated by the Transporter (and in the case of a bundled capacity, validated by both TSO’s):
   a) it shall be considered a Valid Capacity Surrender Request;
b) the Capacity which is the subject of the Valid Capacity Surrender Request shall be considered Capacity offered for surrender; and

c) the Transporter shall update the total amount of Available Capacity which may be booked by Shippers at the Interconnection Point via PRISMA, by including the amount of Capacity Offered for Surrender as specified in the Capacity Surrender Request or Capacity Surrender Update.

3.3.10 For the avoidance of doubt, the validation of a Capacity Surrender Request (thus being considered a Valid Capacity Surrender Request) and subsequent resale of this Surrendered Capacity, does not relieve the Shipper of its rights and obligations with respect to the Capacity Offered for Surrender, save for the exceptions specified in 3.3.17.

3.3.11 Where all other Uncontracted Capacity has been booked, Capacity Offered for Surrender may be booked, to the extent required by Capacity Booking Requests, and in accordance with existing Capacity booking procedures and the merit order specified in 1.1.4.

3.3.12 Where Valid Capacity Surrender Requests from multiple Shippers (or multiple Valid Capacity Surrender Requests from the same Shipper) are received by the Transporter, the Capacity Offered for Surrender may be booked, to the extent required by Capacity Booking Requests, on a first come first served basis, in accordance with the timestamp of the receipt of the Valid Capacity Surrender Requests.

3.3.13 A maximum of 10 Surrender Requests will be allowed at any time per IP per flow direction per capacity period.

3.3.14 The Transporter may make Surrendered Capacity available at all Capacity product durations less than or equal to the duration of the original Capacity product, where the auction dates allow.

3.3.15 Where Capacity Offered For Surrender is offered for resale after the effective date of the original Capacity Booking, the Transporter shall offer the remaining Capacity at the next relevant auction for product durations which are less than the duration of the original Capacity product, providing such product durations are compatible with the time period specified in the Capacity Surrender Request or Capacity Surrender Update³.

3.3.16 Save for the exceptions specified in 3.3.17, the Surrendering Shipper shall retain its rights and obligations under the Capacity contract until such time as the Capacity Offered For Surrender becomes Surrendered Capacity, including but not limited to:

   a) The right of the Shipper to nominate against the Capacity Offered For Surrender, save for the exception specified in 3.3.17b);

³ e.g. If an annual product is offered for surrender for a time period of less than 1 year, then it is not possible to offer this Capacity for sale as an annual product
b) The obligation of the Shipper to maintain Financial Security with respect to the Capacity Offered For Surrender; and

c) The obligation of the Shipper to pay capacity related charges with respect to the Capacity Offered for Surrender.

3.3.17 A Shipper offering capacity for surrender will lose the following rights to that capacity:

a) The right to sell the capacity on the Secondary market; and

b) The right to nominate against that Capacity after the Surrender Submission Deadline as stipulated in clause 3.3.3.

3.3.18 The Transporter shall inform the Shipper of the resale of its Capacity Offered for Surrender, including the amount of Capacity Offered for Surrender which has been resold and the period associated with the resale, prior to the start of the Gas Day.

3.3.19 The Surrendering Shipper's rights and obligations with respect to Capacity Offered for Surrender shall cease on the effective date of the new Capacity booking, as notified by the Transporter and for such period as shall be so notified.

3.3.20 Where Capacity Offered For Surrender is not sold, or is only partially resold by the Transporter (i.e. an amount less than that offered for surrender is sold and/or the period of Capacity Booking sale is shorter than the time period specified in the Valid Capacity Surrender Request):

a) the amount of Capacity Offered For Surrender which is resold shall be considered ‘Surrendered Capacity’ commencing from the effective date of the new Capacity Booking and ending on the date of expiry of the new Capacity Booking or the end date specified in the Valid Capacity Surrender Request, whichever is earlier;

b) The amount of Capacity Offered For Surrender which has not been resold shall continue to be considered as Capacity Offered For Surrender, and may subsequently be resold by the Transporter, pursuant to subsequent Capacity Booking Requests; and

c) the rights and obligations of a Shipper with respect to Surrendered Capacity are reinstated where applicable on the expiry of the period of surrender associated with such Surrendered Capacity;

3.3.21 The Capacity Register shall be amended in line with resale of Surrendered Capacity.

3.3.22 Capacity made available for booking by Shippers as a result of the Surrender process shall in all respects be treated in the same way as Primary Capacity. The prevailing tariff with respect to the applicable product shall apply to all Capacity Bookings and for the avoidance of doubt shall not in any way be related to the tariff applicable to the Capacity of the Shipper which has lost its rights with respect to such Capacity.
4. LONG TERM USE IT OR LOSE IT MECHANISM

4.1. Overview

4.1.1 Clause 2.2.5 of Annex 1 of EC715/2009 outlines the requirement to introduce a Long Term Use It or Lose It mechanism as one of the Congestion Management Procedures by 1 October 2013.

4.1.2 Section 4.2 sets out the high level principles applied in the development of a Long Term Use It or Lose It mechanism for the Gaslink Code of Operations.

4.1.3 Section 4.3 provides specific details in terms of the Transporter’s proposal.

4.2. High Level Principles

4.2.1 This mechanism will only apply to Primary Capacity \(^4\).

4.2.2 The Transporter will be required to partially or fully withdraw systematically underutilised contracted Capacity on an IP where:

   a) The point is determined to be, and declared to be contractually congested in accordance with Section 2;
   b) The Shipper has not sold or offered it for sale under reasonable conditions; and
   c) Other Shippers are requesting Firm Capacity at the applicable IP.

4.2.3 The Transporter has the right to determine whether the underutilised Capacity should be partially or fully withdrawn based on market demand at the time.

4.2.4 The rules for this mechanism were put in place in the Code in October 2013, but it will not be necessary for the Transporter to rely on this mechanism in order to make capacity available until the point is determined to be contractually congested in accordance with Section 2.

4.2.5 The Code currently has a ‘Use It or Lose It’ mechanism that does not fully meet the requirements of CMP for IP’s. It will remain in the Code, whereas this new mechanism will apply only at IP’s.

4.3. Business Rules

4.3.1 To determine the systematic underutilisation of contracted Capacity, the Transporter will produce two usage reports each year, one by 30 April covering the period 1 October

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\(^4\) The reference in the Regulation is to Contracted Capacity which according to the definition in Appendix 1 of this document (taken from Regulation 715/2009) implies Primary capacity only.
– 31 March of the Gas year and the other by 31 October covering the period 1 April – 30 September of the previous gas year.

4.3.2 For the avoidance of doubt the Transporter shall be the party who determines the underutilisation at the IP for the purpose of LT UIOLI.

4.3.3 These reports will only be sent to the Regulator and will enable their monitoring of the usage of contracted Capacities with an effective contract duration of more than one year or recurring quarters covering at least two years.

4.3.4 These reports will contain the following data:
   a) Average usage of contracted Capacity for products with an effective duration of more than one year; and
   b) Nominations and renominations by the Shipper over the period of the report.

4.3.5 It is assumed for the purpose of these reports that long term products will be used before short term products.

4.3.6 These reports will be generated irrespective of whether there is an unfulfilled demand for contracted Capacity by a Shipper.

4.3.7 Shippers, unable to gain access to firm Capacity will be required to notify the Transporter of the requirement for Capacity (including amount and duration) which the Shipper has been unable to book.

4.3.8 The determination of systematic underutilisation will be made only in the event that there is an unfulfilled demand for Capacity and will be based on the following information:
   a) The Shipper used less than 80% of its contracted Capacity for two consecutive six monthly reporting periods reports with an effective contract duration of more than one year without proper justification.

4.3.9 Withdrawal of Capacity from a Shipper may result in it losing its Capacity in blocks of one month or for the remaining effective contractual term.

4.3.10 Any unsold LT UIOLI capacity after an auction may be rolled over into the next relevant auction.

4.3.11 The withdrawal process will be:
   a) The Transporter will serve the Shipper with three (3) months’ notice of its intention to withdraw Capacity and will specify the amount and duration to be withdrawn based on underutilisation;

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5 This reporting to the Regulator is a requirement of the Regulation.
6 ‘effective duration’ means the time left on a contract.
b) Where the capacity to be withdrawn is of a Bundled nature the Transporter shall notify the relevant adjacent authority of its intentions to withdraw capacity from a Shipper when serving notice of withdrawal to the Shipper.

c) The Shipper will have the opportunity within one month of receipt of notice from the Transporter to:

(i) Make submissions to the Transporter as to why the Shippers non utilisation of the Capacity is justified; and/or

(ii) Provide evidence that the Shipper has sold or offered under reasonable conditions the unused Capacity in the secondary market.

d) The Transporter will review any Shipper submissions prior to proceeding with the withdrawal process and notify the Shipper as to whether it accepts the submission within 2 weeks and where it does so accept the Shippers submissions the Transporter will notify the Shipper and will not withdraw such Shippers Capacity (in whole or in part);

e) If the Shipper does not agree with the decision of the Transporter, they may refer it to the Regulator for review within 2 weeks of receipt of the Transporters response;

f) Any such regulatory review should be completed within 3 weeks or such other time period as may be agreed;

g) In the event that the process cannot be completed within the 3 month period following the issue of the notice in accordance with 4.3.10(a) and extra time is required, it will be extended by a period of one month and subsequently in increments of one month thereafter; and

h) The withdrawal of Capacity may proceed on the expiry of either the three month notice period or the extended period used for the regulatory review unless specifically requested not to do so by the CER.

4.3.12 The Shipper will retain its rights and obligations to the Capacity under the Capacity contract until such time as it is resold by the Transporter and to the extent (both in amount and duration) that the Capacity is not resold by the Transporter.
5. OVERSUBSCRIPTION AND BUY-BACK MECHANISM

5.1. Overview

5.1.1 Clause 2.2.2 of Annex 1 of EC715/2009 outlines the requirement to introduce an Oversubscription and Buyback scheme as one of the Congestion Management Procedures by 1 October 2013.

5.1.2 Section 5.2 sets out the high level principles applied in the design of an appropriate Oversubscription and Buyback scheme for the Gaslink Code of Operations.

5.1.3 Section 5.3 provides specific details in terms of the Transporter’s proposal.

5.2. High Level Principles

5.2.1 As part of the 2013 Business Rules, the Transporter has proposed an incentive-based Oversubscription and Buyback scheme in order to offer ‘Oversubscription Capacity’ (Firm Capacity in Addition to Technical Capacity) at each Interconnection Point, where such Interconnection Point is deemed to be contractually congested in accordance with Section 2.

5.2.2 This scheme was approved by the CER and published on 18 November 2013. There is no proposal to amend this scheme in these Business Rules.

5.2.3 The rights and obligations associated with Primary Capacity shall also apply to Oversubscription Capacity.

5.2.4 Where Oversubscription Capacity is made available, it shall be made available on a day-ahead basis.

5.2.5 Where both Technical Capacity and Oversubscription Capacity are offered by the Transporter, they shall be presented to the market as a single aggregate figure on PRISMA, and no distinction shall be made between Technical and Oversubscription Capacity.

5.2.6 The Oversubscription and Buyback scheme shall only become operational at an Interconnection Point (and be systemised in the I.T. systems) if the point is deemed to be contractually congested in accordance with Section 2.

5.2.7 The framework incentivisation mechanisms of the Oversubscription and Buyback scheme may provide that any specific details or parameters of the Scheme may be determined following the CMP Activation Test which results in a decision to apply the Congestion Management Procedures.

5.2.8 The Oversubscription and Buyback incentivisation scheme is designed to provide an incentive to the Transporter to offer Oversubscription Capacity to the market, while also reflecting the risks posed to the Transporter in so doing.
5.2.9 Oversubscription Capacity shall only be sold to Shippers following the sale of Uncontracted Capacity and any Capacity made available as a result of other CMP mechanisms i.e. Surrender of Contracted Capacity or Long Term Use It or Lose It, in keeping with the merit order specified in 1.1.4.

5.2.10 Revenues arising from the sale of Oversubscription Capacity and costs arising from the buy-back scheme shall be shared between the Transporter and Shippers in accordance with the incentivisation methodology approved by the CER.

5.2.11 Before applying a buyback procedure, the Transporter shall verify whether other technical or commercial measures may maintain system integrity in a more cost-efficient manner.

**5.3. Business Rules**

**Oversubscription**

5.3.1 Where the Oversubscription and Buyback scheme is activated in accordance with the criteria set out in Section 2, the amount of Oversubscription Capacity which the Transporter deems appropriate to offer in respect of a day (which may be zero) shall be published to Shippers via the Transporter’s I.T. Systems no later than 14:00 D-1.

5.3.2 The Transporter may amend the amount of Oversubscription Capacity which is available at any time including after the initial publication of an amount of Oversubscription Capacity (while also taking account of any Oversubscription Capacity which has been booked since the initial publication of the Oversubscription Capacity amount).

5.3.3 The amount of Oversubscription Capacity which is made available by the Transporter shall be added to the amount of Capacity which is otherwise available to be booked, and presented as an aggregate amount of Capacity which is available to be booked directly from the Transporter through the existing Capacity booking procedures in the Code.

**Buyback**

5.3.4 Before committing to the buyback of Capacity, the Transporter shall assess whether it may maintain the integrity of the system in a more cost efficient manner by other operational or commercial means.

The Transporter may issue a ‘Buyback Tender’, inviting Shippers to commit in advance to selling Capacity to the Transporter at a fixed price, should it be necessary for the Transporter to buy back Capacity on any day within a defined period of time.

5.3.5 The Transporter will notify the adjacent TSO of its intention to issue a ‘Buyback Tender’.

5.3.6 Shippers responding to this tender process may enter into an agreement with the Transporter, constituting an ‘Advance Buyback Offer’, which shall include the
amount in c/kWh (the ‘Buyback Offer Price’) at which the Shipper wishes to offer the Capacity to the Transporter.

5.3.7 Where the Transporter deems it necessary to buy back capacity, it shall notify the market by means of a ‘Buyback Invitation’ via the Transporter’s I.T. Systems of the:

   a) Interconnection Point;
   b) time period for which the buyback is required; and
   c) amount of Capacity required.

5.3.8 Shippers may submit a ‘Buyback Offer’ via the Transporter’s I.T. System which specifies:

   a) identity of Shipper;
   b) Interconnection Point;
   c) time period for which the Capacity is offered;
   d) amount of Capacity offered; and
   e) the amount in c/kWh (the ‘Buyback Offer Price’) at which the Shipper wishes to offer the Capacity.

5.3.9 A Buyback Offer may be submitted in accordance with the timelines specified in the Buyback Invitation.

5.3.10 A Buyback Offer submitted in accordance with 5.3.8 shall be considered a Valid Buyback Offer.

5.3.11 The Transporter shall inform the Shipper of its:

   a) validation of the Shipper’s Buyback Offer; or
   b) rejection of the Shipper’s Buyback Offer due to non-compliance with the requirements of 5.3.8;

   no later than 15 minutes after submission of the Buyback Offer.

5.3.12 Where multiple Valid Buyback Offers are received, the Transporter shall accept Valid Buyback Offers in order of least cost to the Transporter (while also considering any Advance Buyback Offers) and to an amount the Transporter deems appropriate to maintain system integrity on the basis of the operational requirements.

5.3.13 The Transporter may accept a Valid Buyback Offer or Advance Buyback Offer in full, or may accept the Valid Buyback Offer or Advance Buyback Offer in part with respect to:

   a) the amount of Capacity accepted for buyback, which may be less than the amount specified by the Shipper in its Buyback Offer or Advance Buyback Offer; and/or
b) the time period accepted for buyback, which may be less than the time period
specified by the Shipper in its Buyback Offer or Advance Buyback Offer.

5.3.14 Where the Transporter accepts a Buyback Offer or Advance Buyback Offer (in full or
in part), the Transporter shall inform the Shipper of such acceptance through the issue
of a ‘Buyback Notification’, not later than one (1) hour after acceptance of each
Buyback Offer or Advance Buyback Offer. The Buyback Notification shall include:

a) Buyback Offer or Advance Buyback Offer reference number;
b) identity of the Shipper;
c) Interconnection Point;
d) time period for which the Capacity is bought back;
e) amount of Capacity bought back; and
f) the unit price (in c/kWh) which the Transporter shall pay the Shipper,
which shall be equal to the Buyback Offer Price as specified by the
Shipper in its Buyback Offer.

5.3.15 The aggregate amount of Capacity accepted for buyback by the Transporter in respect
of a given day need not be equal to the amount requested in the Buyback Invitation.

5.3.16 Where the Transporter issues a Buyback Notification, it shall reduce the amount of
Interconnection Capacity held (for the relevant day in respect of the relevant
Interconnection Point) by the Shipper by the amount specified in the Buyback
Notification.

5.3.17 Notwithstanding the provisions of 5.3.16, the Shipper shall be billed for Capacity as
follows:

a) the Shipper shall remain liable for payment of all Capacity related charges in
respect of the amount of Capacity held by the Shipper prior to the issuance
of the Buyback Contract and

b) the Shipper shall receive a credit in respect of:

   i. the amount of Capacity; and
   ii. the unit price;

specified in the Buyback Contract.

5.3.18 In the event that the Transporter is unable to secure a sufficient amount of Capacity
through the market based buyback mechanisms to maintain system integrity, the
Transporter may be required to employ some of the provisions of Part H, Section 2
(Congestion Management) of the Code.
Monitoring and Revision of Scheme

The following are requirements of the Regulation and while they will not necessarily be included in the Code, should be noted for information purposes:

- The Transporter shall, on an annual basis, report to the CER on the functioning of the scheme and, upon request of the CER, provide all relevant data.

- The CER may request the Transporter to revise the scheme.
6. TRANSPARENCY REQUIREMENTS

6.1. Overview

6.1.1 Transparency Guidelines are annexed to the Regulation, in accordance with Commission Decision 2010/685/EU of 10 November 2010.

6.1.2 The Transparency Guidelines have been effective since 3 March 2011.

6.1.3 The Transporter currently publishes transparency information on the Gaslink website (www.gaslink.ie) and ENTSOG’s Transparency Platform (www.gas-roads.eu) in accordance with EC715 Transparency Guidelines.

6.1.4 CMP Guidelines are annexed to the Regulation, in accordance with Commission Decision 2012/490/EU of 24 August 2012.

6.1.5 The CMP Guidelines impose additional obligations in respect of transparency which must be introduced in October 2013.

6.1.6 It should be noted that while transparency obligations apply at all Relevant Points (including Moffat Entry Point, South-North Connected System Exit Point, Inch, Corrib), CMP obligations apply at Interconnection Points (cross-border points only, such as Moffat Entry Point and South-North Connected System Exit Point).

6.2. Business Rules

6.2.1 As and from 1 October 2013, the Transporter shall submit the following information (with respect to each Interconnection Point) for publication on ENTSOG’s Transparency Platform:

   a) instances where the Transporter was unable to allocate the entire amount of Firm Capacity requested by a Shipper;

   b) where Capacity is offered and sold by means of an auction process, instances where firm Capacity has cleared at a price higher than the reserve price;

   c) instances where no Firm Capacity was made available by the Transporter;

   d) the amount of Capacity made available to the market as a result of the application of Congestion Management Procedures.

6.2.2 The provisions of 6.2.1a) to 6.2.1c) shall apply to firm Capacity booking requests for Capacity of duration one month or longer.

6.2.3 The information to be published on the Transparency Platform shall be submitted in the following format:

   a) downloadable and user-friendly, thus allowing for quantitative analysis; and
b) as agreed between the Transporter and the CER and based on a harmonised format provided by ACER.

6.2.4 Based on the information provided by the Transporter to the ENTSOG Transparency Platform, ACER will produce an annual Congestion Monitoring Report, the first such report to be published on 1 March 2014.

6.2.5 In addition to the publication of information on the Transparency Platform, the Transporter shall also report directly to the CER, to include the following:

   a) Regular updates in relation to the functioning of the Oversubscription & Buy-back scheme;

   b) Upon request, all relevant data relating to the Oversubscription & Buy-back scheme;

   c) All data required to monitor the Long Term Use It or Lose It mechanism.

6.2.6 The content, format and frequency of such reporting shall be subject to agreement between the Transporter and the CER.
Appendix 1

Glossary of Terms
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>ACER</td>
<td>Agency for the Cooperation of Energy Regulators.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Advance Buyback Offer</td>
<td>An agreement between the Transporter and a Shipper, committing the Shipper to selling Capacity to the Transporter at a fixed price, should it be necessary for the Transporter to buy back Capacity on any day within a defined period of time.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Bookable Capacity</td>
<td>Capacity (either Technical or Oversubscription) which is available, at a given point in time, to be booked directly from the Transporter.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Buyback Invitation</td>
<td>The communication issued by the Transporter inviting Shippers to offer Capacity for sale to the Transporter in respect of a defined time period and amount.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Buyback Offer</td>
<td>The communication issued by the Shipper to the Transporter in response to a Buyback Invitation.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Buyback Offer Price</td>
<td>The price in c/kWh which the Shipper specifies in a Buyback Offer as the price it wishes to be paid, should the Transporter select the Buyback Offer.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Buyback Tender</td>
<td>An invitation issued by the Transporter to Shippers, offering Shippers an opportunity to commit in advance to selling Capacity to the Transporter at a fixed price, should it be necessary for the Transporter to buy back Capacity on any day within a defined period of time.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Capacity Offered For Surrender</td>
<td>Capacity which a Shipper offers to the Transporter for surrender and which is not considered as Surrendered Capacity.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td>Capacity Surrender Request</td>
<td>A request made by a Shipper to the Transporter notifying the Transporter of its application to surrender Capacity.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td><strong>Commission for Energy Regulation (CER)</strong></td>
<td>The Commission for Energy Regulation (CER) is the regulator for the electricity and natural gas sectors in Ireland.</td>
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<tr>
<td>----------------------------------------</td>
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</tr>
<tr>
<td><strong>Contracted Capacity</strong></td>
<td>‘Capacity that the Transmission System Operator has allocated to a Shipper by means of a transport contract’.</td>
<td>EC715/2009, Article 2.19</td>
</tr>
<tr>
<td><strong>Contractual Congestion</strong></td>
<td>‘a situation where the level of firm capacity demand exceeds the technical capacity’.</td>
<td>EC715/2009, Article 2.21</td>
</tr>
<tr>
<td><strong>ENTSOG</strong></td>
<td>European Network of Transmission Systems Operator for Gas.</td>
<td></td>
</tr>
<tr>
<td><strong>Interconnection Points (IP)</strong></td>
<td>‘points between adjacent entry-exit systems, irrespective of whether they are physical or virtual, between two or more Member States or within the same Member State in so far as the points are subject to booking procedures by users’.</td>
<td>EC715/2009, Annex 1, paragraph 2.2.1 (1)</td>
</tr>
<tr>
<td><strong>Interconnection Point Capacity</strong></td>
<td>The amount of Capacity, either Entry or Exit, required at an Interconnection Point to take delivery of Natural Gas to the transportation System or to provide Natural Gas from the transportation System.</td>
<td>CMP Business Rules</td>
</tr>
<tr>
<td><strong>National Regulatory Authority (NRA)</strong></td>
<td>Independent body responsible for energy regulation within its own member state. The CER in Ireland.</td>
<td></td>
</tr>
<tr>
<td><strong>Oversubscription Capacity</strong></td>
<td>‘the firm Capacity offered in addition to the Technical Capacity of an Interconnection Point calculated on the basis of Article 16(1) of Regulation EC 715’.</td>
<td>EC715/2009, Annex 1, paragraph 2.2.2 (1)</td>
</tr>
<tr>
<td><strong>Surrendered Capacity</strong></td>
<td>Capacity which has been offered for surrender to the Transporter, and which is subsequently resold and contracted to another Shipper for a defined period and in respect of a defined quantity.</td>
<td></td>
</tr>
<tr>
<td><strong>Surrendering Shipper</strong></td>
<td>The Shipper who is voluntarily offering Capacity to the Transporter for surrender.</td>
<td>CMP Business Rules</td>
</tr>
</tbody>
</table>

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7 The RoI Interconnection Points are the Moffat Entry Point and the South North Connected System Exit Point.
8 Moffat Entry Point Technical Capacity (as of June 2013) is 342,420,833 kWh. South-North Interconnection Point Technical Capacity (as of June 2013) is 56,300,000 kWh.
### Relevant Point

‘Relevant points shall include at least:

(a) all entry and exit points to and from a transmission network operated by a transmission system operator, with the exception of exit points connected to a single final customer, and with the exception of entry points linked directly to a production facility of a single producer that is located within the EU;

(b) all entry and exit points connecting balancing zones of transmission system operators;

(c) all points connecting the network of a transmission system operator with an LNG terminal, physical gas hubs, storage and production facilities, unless these production facilities are exempted under (a);

all points connecting the network of a given transmission system operator to infrastructure necessary for providing ancillary services as defined by Article 2(14) of Directive 2009/73/EC.’

### Technical Capacity

‘The maximum firm capacity that the transmission system operator can offer to the Shippers, taking account of system integrity and the operational requirements of the transmission network’

### Uncontracted Capacity

Technical Capacity (other than Technical Capacity which is made available by the Transporter pursuant to CMP mechanisms) which, at a given point in time, is not contracted to a Shipper and is available to be booked directly from the Transporter.

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9 Article 16(1): The maximum capacity at all relevant points referred to in Article 18(3) shall be made available to market participants, taking into account system integrity and efficient network operation. (Article 18(3): For the services provided, each transmission system operator shall make public information on technical, contracted and available capacities on a numerical basis for all relevant points including entry and exit points on a regular and rolling basis and in a user-friendly and standardised manner.)