



Market information regarding VIP implementation at the market border NCG - Czech Republic

(20 February 2019)

Article 19 paragraph 9 of the Regulation (EU) 2017/459 (NC CAM) obliges transmission system operators (TSO) to establish virtual interconnection points (VIP). This document provides information about the **VIP-Implementation at the market area border between NCG and the Czech Republic which is scheduled for 1 March 2019** and its impact on the main commercial processes.

Which interconnection points will be merged into the VIP at the market border between NCG and the Czech Republic?

The German TSO Open Grid Europe GmbH ("OGE") and GRTgaz Deutschland GmbH ("GRTgaz Deutschland") as well as the Czech TSO NET4GAS, s.r.o. ("NET4GAS") will merge their interconnection points at Waidhaus into the **VIP Waidhaus NCG**.

How does the capacity marketing at the VIP Waidhaus NCG work?

The involved TSOs will offer capacities at the VIP for **the first time in the day-ahead auction held on 28 February 2019 at 4:30 PM for the firm transmission capacities on 1 March 2019**. Further capacity marketing at Waidhaus will be conducted for the VIP point only in accordance with ENTSOG auction calendar.

The marketing of capacities at the VIP takes place according to the same rules, which were valid also before 1 March 2019 at the IPs. On the German side of the border, **interruptible day-ahead capacity at the VIP will be offered even in the firm capacity is not sold out.**¹

No capacities will be offered at the IPs establishing the VIP Waidhaus NCG after 1 March 2019.

TSO responsible for the capacity marketing and processing of nomination at the VIP

On the NCG side, OGE will be responsible for the capacity marketing at the VIP. For the acquisition of VIP capacities shippers need to be registered on the PRISMA capacity platform for the TSO OGE. This is especially relevant for shippers, who currently book capacities only with GRTgaz Deutschland at this market area border and who would like to book capacities in the future further on. Nominations for the VIP contracts will be processed by OGE as well.

¹ I.e. in comparison with GASPOOL market area, day-ahead interruptible capacities in Germany shall be offered in line with the practices applied before the VIP implementation.

On the side of the Czech Republic, NET4GAS will remain the responsible TSO for capacity marketing and processing of the nomination at the VIP.

Which tariff will be applied at the VIP Waidhaus NCG?

The price of the VIP Waidhaus NCG can be found under the following links for the TSO [OGE](#) and [NET4GAS](#).

What are the effects for capacity contracts booked before the 1 March 2019?

NCG

Capacity contracts booked before 1 March 2019 will continue to be nominated and handled at the relevant IPs at the respective TSO (GRTgaz Deutschland or OGE).

As of 1 March 2019, no new capacity contracts can be concluded anymore at IP Waidhaus. Capacity marketing takes place only at the VIP. Hence, as of 1 March 2019 capacity conversion (based on NC CAM) and capacity upgrades (based on GasNZV) will no longer be possible for existing contracts at the IPs.

Capacity surrender from existing contracts is remarketed at the VIP.

Secondary marketing of existing contracts will still take place at the respective IP.

For the application of Long Term UIOLI for existing contracts, the identification of the congestion will consider all relevant IPs establishing the VIP, while the identification of use and withdrawal will be conducted per IP. The marketing of withdrawn capacity will be done at the VIP.

For the application of Short Term UIOLI for existing contracts, the identification of the renomination limits will be done per IP, while the marketing of capacities made available will take place at the VIP.

Czech Republic

To provide network users with the full benefits of the VIP, capacity contracts booked before 1 March 2019 can be transferred from IP to the VIP.

Transfer of capacity contracts to the VIP shall simplify the nomination processes and shipper's contractual portfolio as well as enable capacity conversion service with the newly concluded VIP contracts.

NET4GAS has already approached shippers with the capacity contracts booked at Waidhaus IP with detailed information on the process of contracts' transfer that is described in the Czech [Gas Market Rules](#) and [NET4GAS Network Code](#).

Secondary marketing of existing contracts (if not transferred to the VIP) will take place at the respective IP.

All capacities gained by the long-term CMP mechanisms (LTUIOLI, surrender) shall be remarketed at the VIP.

For activation of the short-term CMP, new VIP capacity and capacity of old contracts assigned to IPs which are incorporated in the VIP are considered as a single aggregate capacity.

What are the effects on the nomination process as of 1 March 2019?

Nominations for existing IP contracts take place at the respective **IP Waidhaus (EIC: 21Z000000000236)**, nominations for new VIP contracts at the **VIP Waidhaus NCG (EIC: 21Z000000000489Y)**.

Contractual verification of nominations will be done separately at each IP and at the VIP. Afterwards these separate nominations will be aggregated and matched between OGE and NET4GAS.

Single-sided nomination will be offered between VIPs only.

NCG

Existing contracts concluded before 1 March 2019:

- with GRTgaz Deutschland - shall be as of 1 March nominated under new a shipper code,
- with OGE - shipper codes for existing contracts remain unchanged.

Nominations of contracts with GRTgaz Deutschland shall be as of 1 March 2019 made with your balancing code instead of GRTgaz Deutschland MG-codes. Shippers shall use the MG-codes as internal shipper code until the VIP implementation including the gas day on 28 February. More information is available at the GRTgaz Deutschland [website](#).

Shippers shall approach OGE / GRTgaz Deutschland in case of any questions related to the shipper codes to be used as of 1 March 2019.

Czech Republic

Shipper codes for the existing contracts at the Czech side of the border might be affected by the VIP implementation. These existing contracts' holders shall discuss with NET4GAS changes needed in their shipper codes and nomination processes.

Current Czech shipper codes shall be preserved for the shippers without any existing capacity contracts at IP Waidhaus concluded before 1 March 2019.

All shippers shall bear in mind necessity to contact NET4GAS in case of new shipper codes generated on the German side of the border.

Further information

Further information on the VIP implementation at Waidhaus is available on the websites of respective TSOs [NET4GAS](#), [OGE](#) and [GRTgaz Deutschland](#).

In case of any further questions, do not hesitate to contact NET4GAS' [Commercial Team](#).