

Consultation 42 Report

Version : 0.1

Status: Final

Classification: Public

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1. INTRODUCTION

From the 12th of November 2019 until the 11th of December 2019 included, Fluxys Belgium consulted the market on its proposed changes in the regulatory documents.

The proposed modifications in the regulatory documents aim at :

- (i) Creditworthiness requirements
- (ii) Imbalance Pooling Service offered by Balansys
- (iii) Update of ACT for tariffs 2020
- (iv) Diversion services
- (v) Incident management
- (vi) Technical changes

2. CONSULTATION PROCESS

Fluxys Belgium launched this market consultation by publishing the proposed documents on its website - at the usual location for such consultations, supported by an announcement on the homepage - and via direct e-mailing to all registered market participants and associations. During the period from November 12th until December 11th 2019 (included), stakeholders were invited to submit their written feedback and, if needed, seek additional information through bilateral contacts with Fluxys Belgium.

Taking into account the different comments received, Fluxys Belgium submits for approval to the CREG, the so amended version of the STA, ACT and TP.

3. OUTCOME OF CONSULTATION PROCESS

All comments received are listed and individually treated in the “Q&A’s” included in the consultation report submitted to CREG – see appendices.

Feedback was received from 1 representing organization, FEBEG.

The representing organization questioned why Fluxys does not rely on market-based solutions in early warning level and alert level. The organization is therefore referring to attachment F which is conducted to preserve the security of supply and is primarily written in the sense of safeguarding system integrity. In order to manage this system integrity, Fluxys Belgium has to be able to rely on its own and necessary operational means for several reasons:

- (i) ensuring the network integrity management in accordance with the Code of Conduct and which is a FLX BE responsibility,
- (ii) providing an immediate reaction to enable the market to react taking into account the communication process to provide the balancing positions and the network users nomination lead time to accommodate for the matching process with adjacent operators and
- (iii) acting as a reasonable and prudent operator.

The operational means are a complementary measure besides the market based balancing and does not influence it.

Following the above, FEBEG expressed its concerns on the transparency on non-market based measures. The non-market based measures are, as pointed out above, necessary operational means which are duly justified, were duly submitted to the CREG for approval and were approved by CREG.

4. APPENDICES

4.1 Appendix 1: Market consultation – public material

4.2 Appendix 2: Market consultation – confidential material

1. Market consultation - public material

- a. E-mail: invitation to submit comments
- b. List of documents in consultation
- c. Questions & Answers
- d. Printed copy of written comments

E-mail: invitation to submit comments

Market Consultation 42 : Changes in the regulatory documents

Dear customer,

The Luxembourgish Transmission System Operator (TSO) **Creos Luxembourg** and the Belgian TSO **Fluxys Belgium** and their respective regulators, **ILR** ("Institut Luxembourgeois de Régulation") and **CREG** ("Commission pour la Régulation de l'Electricité et du Gaz"), have been working together since 2015 to integrate their national H-gas markets.

With the approval of the compliance program by ACER on the 16th of October this year, a major milestone for Balansys to take over the balancing activities for the whole BeLux market area has been achieved.

Together with [consultation 1](#) organised by Balansys, Fluxys Belgium is proposing adjustments to its regulatory documents and therefore Fluxys Belgium will organize a market consultation from **12 November to 11 December 2019**. You will find the consultation documents [on our website](#).

We kindly invite you to send your written comments to marketing@fluxys.com by **Wednesday 11 December 2019 COB**. We remind you that, unless otherwise stated, your responses will be considered as non-confidential.

We thank you in advance for your feedback and remain at your disposal for further information. Should you have any further questions regarding the above, please do not hesitate to contact your Key Account Manager or info.transport@fluxys.com.

Yours sincerely,



Ilse Guedens

Marketing Manager



Hany Aouad

Sales Manager

List of documents in consultation

The documents are available on our website, via the following link :

<https://www.fluxys.com/en/products-services/empowering-you/customer-interactions/fluxys-belgium-market-consultation-42>



DE EN FR NL

PRODUCTS & SERVICES

GAS & INNOVATION

OUR COMPANIES

Company: Fluxys Belgium Activity: Transmission Zone: ZTP (BE - LUX)

Fluxys Belgium market consultation 42

2019 - Market Consultation 42 - Changes in the regulatory documents

The Luxembourgish Transmission System Operator (TSO) Creos Luxembourg and the Belgian TSO Fluxys Belgium and their respective regulators, ILR ("Institut Luxembourgeois de Régulation") and CREG ("Commission pour la Régulation de l'Electricité et du Gaz"), have been working together since 2015 to integrate their national H-gas markets.

With the approval of the compliance program by ACER on the 16th of October this year, a major milestone for Balansys to take over the balancing activities for the whole BeLux market area has been achieved.

Together with [consultation 1](#) organised by Balansys, Fluxys Belgium was proposing adjustments to its regulatory documents and therefore Fluxys Belgium organized a market consultation **from 12 November to 11 December 2019**.

The following document summarizes the changes: [One page note](#)

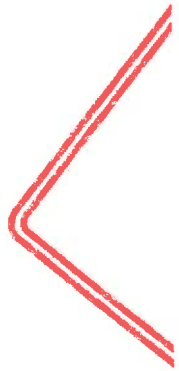
Questions & Answers

From	Topic	Confidential	Questions / Comments by Stakeholders	Answers / Comments by Fluxys Belgium
FEBEG	Incident management	No	Why does FLX not only rely on market-based solutions in an early warning level and alert level?	<p>Attachment F refers primarily to safeguarding system integrity as requested in the Royal Decree Code of Conduct and complies at the same time to the requirements of the security of supply regulation (European Regulation EU 2017/1938). In order to manage system integrity, FLX BE needs also to be able to rely on its own and necessary operational means for several reasons i.e.</p> <ul style="list-style-type: none"> (i) ensuring the network integrity management in accordance with the Code of Conduct and which is a FLX BE responsibility, (ii) providing an immediate reaction to enable the market to react taking into account the communication process to provide the balancing positions and the network users nomination lead time to accommodate for the matching process with adjacent operators and (iii) acting as a reasonable and prudent operator. The operational means are a complementary measure besides the market based balancing and does not influence it.
FEBEG	Incident management	No	Transparency on non-market based measures	The necessary operational means are duly justified, were duly submitted to the CREG for approval and were approved by CREG.

Printed copy of written comments – Public

All reactions			
Company	First Name	Last Name	Confidential
FEBEG	Kristof	Schreurs	NO

Subject: Market consultation 42: changes in the regulatory documents
 Date: 11 December 2019
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 Mail: kristof.schreurs@febeg.be



Introduction

On November 12th, 2019 Fluxys launched a consultation regarding changes in the regulatory documents. The deadline for this consultation is December 11th, 2019.

FEPEG welcomes this consultation and wants to thank Fluxys for creating this opportunity for all stakeholders to submit their comments and suggestions on the changes in the regulatory documents. The comments and suggestions of FEPEG are not confidential.

Attachment F

Attachment F of the Access Code for Transmission (hereafter ACT) is intended as a plan for incident management as specified in article 134 of the Code of Conduct. Attachment F states that: *“based on the information available to the Transmission System Operator, the Transmission System Operator can, in case of an event, activate the plan for incident management. During the first-respond phase, the transmission System Operator performs an assessment of the impact of the event and, as the case may be, activates the appropriate crisis levels of the plan for incident management (Early Warning level, Alert Level or Emergency Level) for system integrity issues.”*

Attachment F thereafter specifies the different crisis levels: early warning, alert and emergency level. Upon declaring a crisis level, all measures available in the respective level and previous crisis levels can be applied to a cost-effective ranking. We would like to zoom in on some measures in the early warning level and on the alert level.

Early warning level

During the Early Warning Level, the Transmission System Operator will deploy its own and necessary operational means reserved for safeguarding the Transmission Grid, such as, amongst others, reserved linepack and/or the Transmission System Operator’s Gas In Storage in the Loenhout Storage Facility and/or the LNG Terminal.

Figure 1: ACT, Attachment F, art. 4.1.1. Measures, p. 8 of 17

Alert level

During Alert Level, the Transmission System Operator will deploy its own and necessary operational means reserved for safeguarding the Transmission Grid, such as, amongst others, reserved linepack and/or the Transmission Operator's Gas In Storage in the Loenhout Storage Facility and/or the LNG Terminal, if any, reserved for incident management of the Transmission Grid, such as Transmission System Operator's Gas in Storage in the LNG Terminal.

Figure 2: ACT, Attachment F, art. 4.2.1. Measures, p. 10 of 17

Relation between market-based and non-market-based measures

Article 11 of the European Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply indicates also three crisis levels. Article 11 of regulation 2017/1938 makes a distinction between an early warning level and alert level on the one hand and an emergency level on the other hand. The key distinction between an alert level and an emergency level is, according to the directive, the ability of the market to manage the disruption or demand without the need to resort to non-market based measures.

The differentiation in the regulation between an early warning level and alert level on the one hand and an emergency level on the other hand seems to create a cascade. During the first two levels, the TSO should apply market-based measures, "only when all relevant market-based measures have been implemented but the gas supply is insufficient to meet the remaining gas demand so that non-market-based measures have to be additionally introduced"¹.

In Attachment F, however, Fluxys states under 4.1.1 that "market-based principles remain applicable" and that - next to these market based principles - "the transmission system operator will deploy its own and necessary operational means reserved for safeguarding the transmission grid".

It seems to FEBEG that the clear cascade-principle as stipulated in the European Regulation is not incorporated in attachment F. Why does Fluxys not only rely on market-based solutions in an early warning level and alert level?

In what cases will Fluxys rely on the market and in what cases will Fluxys itself deploy own and necessary operational means reserved for safeguarding the transmission grid?

In order to create full transparency, FEBEG would welcome:

- A detailed description on when Fluxys foresees to start using non-market-based solutions, and more specifically when Fluxys will start using the Loenhout Storage Facility and the LNG Terminal.
- A description of the hierarchy between non-market-based and market-based solutions during an early alert level and an alert level.
- A description of the changes compared to the previous assessment made by Fluxys that concluded that the storage in the LNG terminal was sufficient for an alert level, whereas Loenhout needs to be added in this proposal.

As the measures that the transmission system operator can deploy foreseen in 4.1.1. and 4.2.1 are exactly the same, FEBEG wonders what the difference is between an early warning level and an alert level. In order to create a clear distinction between both, we wonder why Fluxys does not only rely on market-based measures during an early warning phase?

Transparency on non-market-based measures

¹ Article 11, c), Regulation 2017/1938.

FEBEG is of the opinion that transparency towards the market is essential, therefore we would like to welcome:

- What is exactly the service (capacity, volume, ...) Loenhout Storage Facility will provide?
 - What are the volumes foreseen in Loenhout Storage Facility to cover these levels? What volume is foreseen in Loenhout in general? What volume is foreseen in Loenhout per crisis level?
 - How will Loenhout Storage Facility be reimbursed for this service (annual fee, additional fee if services are effectively required, ...)?
 - Same questions as in the previous point, but for the LNG terminal.
 - Same questions as in the previous point, but for the linepack.
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2. Market consultation – confidential material

- a. Questions & Answers: details
- b. Printed copy of written comments
- c. List of bilateral meetings

Questions & Answers: details

#	From	Confidential?	Topic	Questions / Comments by Stakeholders	Answers / Comments by Fluxys Belgium
No confidential reactions					

Printed copy of written comments - Confidential

All reactions			
Company	First Name	Last Name	Confidential
No confidential reactions			

List of bilateral meetings

Bilateral Meetings

Date	Company	Attendees	Subject
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No bilateral meetings

