



# Consultation 57 report



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## 1 Introduction

From the 23<sup>rd</sup> of May 2022 until the 20<sup>th</sup> of June 2022 included, Fluxys Belgium consulted the market on its proposed changes in the regulatory documents.

The proposed modifications in the regulatory documents aim at changes to the Standard Transmission Agreement, Access Code for Transmission and Transmission Program:

- Lowering the minimum Wobbe Index applicable at some (virtual) interconnection points
- Simplification of the H-market model
- Introducing BLISS Reallocation Service
- Modifications to Buy Back scheme
- Changes in the commodity allocation process by DSO
- Some 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 May 23<sup>rd</sup> until June 20<sup>th</sup> (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 Access Code for Transmission and Transmission Program.

## 3 Outcome of consultation process

Network Users were welcoming the simplification and the merge of the two trading points but there were many concerns. Price indexations in the contracts, how to change them and how to cope with currency conversions. The removal of Zeeplatform was seen as detrimental because the flexibility that it incorporates was insufficiently covered by the mitigating measures. The BLISS Reallocation Service contained too many restrictions for the concerned Services. Based on this feedback, Fluxys Belgium concluded that the current timing for revising its market model is not right, and have therefore decided to put this initiative on hold. This means that all consulted changes related to Simplification of the H-market model, Introducing BLISS Reallocation Service and Modifications to Buy Back scheme are removed from the Access Code for Transmission and Transmission Program that Fluxys Belgium is submitting for approval.

All comments received are included in the report but only the comments on the preserved topics are listed and individually treated in the "Q&A's" that is included in the consultation report submitted to the CREG – see appendices. Feedback on the consultation was received from 7 individual Network Users and 2 representing organizations, Febeg and Febeliec.

## 4 Appendices

**4.1 Appendix I: Market consultation – public material**

**4.2 Appendix II: Market consultation – confidential material**

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## 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

## Fluxys Belgium: Market Consultation 57: Changes in the regulatory documents for transmission

From 23 May to 20 June 2022, Fluxys Belgium is organising a market consultation on the regulatory documents applicable for transmission. This market consultation will focus on:

- Lowering minimum Wobbe Index applicable at some (virtual) interconnection points
- Simplification of the H-zone market model
- BLISS Reallocation Service
- Modifications to Buy Back scheme
- Changes in the commodity allocation process by DSO
- Some technical changes

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

### Documents in consultation (with track changes)

- [Standard Transmission Agreement](#)
- [Transmission Program](#)
- [Access Code for Transmission Attachment A](#)
- [Access Code for Transmission Attachment B](#)
- [Access Code for Transmission Attachment C1](#)
- [Access Code for Transmission Attachment C2](#)
- [Access Code for Transmission Attachment C4](#)
- [Access Code for Transmission Attachment E](#)

You are kindly invited to send your written comments to [marketing@fluxys.com](mailto:marketing@fluxys.com) by Monday June 20<sup>th</sup> 2022 close of business.

Please specify in your response, whether the content is to be treated as confidential or not. Unless otherwise mentioned, all comments will be treated as non-confidential.

Yours sincerely,



Ilse Guedens  
Marketing Manager



Hany Aouad  
Sales Manager

## List of documents in consultation



The documents are available on our website: [Market Consultations in Belgium - Transmission \(fluxys.com\)](https://fluxys.com)

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- [Access Code for Transmission Attachment B](#)
- [Access Code for Transmission Attachment C1](#)
- [Access Code for Transmission Attachment C2](#)
- [Access Code for Transmission Attachment C4](#)
- [Access Code for Transmission Attachment E](#)

## Questions & Answers

Questions and Answers

#	From	Confidential?	Topic	Questions / Comments by Stakeholders	Answers / Comments by Fluxys Belgium
1	Febeliec	No	Lowering Wobbe Index	<p>Febeliec invites Fluxys Belgium to clearly notify end users of this change at least 4 weeks ahead of the application date. Febeliec also invites Fluxys Belgium to closely monitor the evolution of the Wobbe index in the Belgian grid and to publish a report on this evolution one year after its implementation.</p>	<p>As foreseen in the regulated documents, the end users will be informed of this change at least 4 weeks ahead. Fluxys continuously monitors the Wobbe index in the Belgian grid and this Wobbe index is also available for the network users via the Electronic Data Platform. Public reports on the Wobbe index are published by Entso-g from time to time, we propose to use this reporting instead of creating an additional report.</p>

Printed copy of written comments

All reactions			
Company	First Name	Last Name	Confidential
EDF Trading	Nora	Topor-Kalinskij	No
Eni S.p.A.	Stefania	Lanzino	No
FEPEG	Luc	Huymans	No
FEELIEC	Peter	Claes	No
Gazprom Export	Nikita	Mokhov	No
RWE S&T	Ton	den Bieman	No

**EDF and EDF Trading Ltd’s response to Fluxys Belgium’s Market Consultation 57: Changes in the regulatory documents for transmission**

EDF and EDF Trading Ltd (subsequently EDFT) welcome the public consultation and appreciate the opportunity to express their views on Fluxys’ proposal regarding changes to the regulatory documents for transmission, in particular relating to the simplification of the H-zone market model.

**1. Ensuring equal treatment of all market participants on price indexation**

Fluxys is proposing to remove the Zee Platform service and to merge IP Zeebrugge with IP IZT from 1st December 2022. These changes are intended to create a “more accessible model, offering [...] a simple and easy process for booking, nominating and flowing gas between Belgium and the UK .” Although these changes may indeed bring benefits to pipeline shippers moving gas between NBP and TTF, they create an issue with hub indexing for LNG shippers, Interconnector shippers and Norwegian continental shelf shippers who hold legacy contracts linked to ZTP Physical (ZeeHub), which Fluxys plans to merge with ZTP Notional (ZTP).

The removal of ZeeHub means that all market participants who were using ZeeHub for contract indexing must change their contract indexation. Fluxys has proposed that the ZeeHub price be replaced by pricing for the closest hub, which is ZTP. The pricing between ZeeHub and ZTP, however, is not equivalent. Pricing data during the period 2014-2022 shows that ZTP trades at a systematic premium in comparison to ZeeHub. The average premium per year is 0.20 €/MWh, raising to an average of 0.63 €/MWh in H1 2022. The table below illustrates the average premium of ZTP vs ZeeHub by year.

<b>ZTPH Premium to ZEE (01-01-2014 to 08-06-2022)</b>	
<b>By year</b>	<b>Average €/MWh</b>
2014	0.08
2015	0.21
2016	0.13
2017	0.13
2018	0.21
2019	0.21
2020	0.12
2021	0.29
2022	0.63
<b>All</b>	<b>0.20</b>

*The above table references the ZTPH and ZEE SPOT history from 2014, in EUR/MWH (Based on Day ahead / Weekend price assessments), produced by Heren. Heren make their assessment of the ZEE price in p/therm, and convert to EUR/MWH based on the FX rate at the time of the assessment.*

Market participants who have term indexed contracts to ZeeHub should not be discriminated against by being forcefully exposed to a price difference between ZeeHub and ZTP as a result of the market design changes proposed by Fluxys. The absence of at least a transitional

arrangement allowing market participants to adapt, would not only be disruptive: it would also be discriminatory and would distort the level playing field. It would ignore the point that market participants with indexed contracts to ZeeHub are, for these purposes, in a materially different situation compared to those with contracts indexed to ZTP. Equal treatment of materially different situations, at least without a suitable transitional mechanism, would be discriminatory. Term contracts are also an essential part of the market. Regulatory changes which cut across (the pricing in) term contracts without suitable transitional arrangements, distort the market and risk undermining confidence.

**EDF and EDFT would therefore urge Fluxys to include in its market design changes a transitional price adjustment for contracts that previously used ZeeHub indexing to take into account the historic price difference between ZeeHub and ZTP.**

The period used to determine this price difference should be long enough to give market participants confidence that the differential reflects participants' experience. It could be limited to 2022 and the three previous calendar years, which would reflect the standard liquid traded horizon for gas. The differential in that case would be approximately **0.31 €/MWh**. However, EDF and EDFT are of the view that a longer period – since 2014 – would give a more accurate picture of the historic liquid traded horizon. That would lead to a differential **of 0.20 €/MWh**. This price adjustment would be uniformly applied by market participants in their indexing change from ZeeHub to ZTP.

In this way, it can be ensured that market participants who are forced to move away from ZeeHub indexation are treated fairly when compared to those already using the ZTP index. EDF and EDFT are open-minded about potential solutions. Arranging an appropriate ZeeHub price for a predetermined future period with relevant price reporting agencies may be an option. In our view, not taking account of the historic price differential between ZeeHub and ZTP would not be an acceptable outcome for Fluxys' proposed market redesign. It would also not be conducive to market confidence in Zeebrugge as a gas hub characterised by a level playing field and foreseeable regulation.

## **2. Ensure equal opportunity to bring LNG to market by bundling terminal slots with guaranteed capacity**

EDF and EDFT understand from Fluxys that after the removal of ZeeHub, there would be the same volume of entry capacity made available for ZTP as there is exit capacity from Zeebrugge LNG terminal. We are nonetheless concerned that market participants for whom it is not economic to book long-term capacity face the risk of insufficient short-term capacity available to cover an incoming cargo.

At present, despite assurance from Fluxys that enough capacity should be available at all times for entry Zeebrugge, it has already happened that shippers have had to reduce the amount sent out from the LNG terminal because of insufficient entry capacity. We are

concerned that the same problem may arise if all current ZeeHub flows are systematically diverted to ZTP.

Fluxys encourages market participants to book capacity required well in advance. However, such bookings may not be commercially attractive for participants that do not have a clear periodicity of cargoes (for instance, LNG market players who choose to divert cargoes from Asia to take advantage of higher European prices), and therefore prefer to book capacity only once they have secured a terminal slot. Such players are a well understood and important segment of the market, with an important role for liquidity and security of supply. It is important that they should not be foreclosed from the market, even for short periods of time.

Alternatively, consider where certain market participants book large quantities of firm capacity on a yearly basis, without this entry capacity necessarily matching terminal slot allocations. In this case, it may happen that a market participant is allocated a slot but is unable to obtain sufficient short-term capacity (on a firm or even interruptible basis) to meet its send-out needs.

Although such capacity constraints may not occur often, the risk of being unable to bring all LNG received to market as planned may disincentivise market participants that do not have periodic cargo schedules from using the Zeebrugge terminal – especially for users of the terminal who may see Zeebrugge as an arbitrage opportunity given the global nature of the LNG market. It is critical to allow for a variety of commercial models for getting gas into Europe, without discrimination. Capacity constraints may not only reduce liquidity at the terminal, but would adversely impact security of supply, at a time when the EU is trying to find ways of replacing Russian pipeline gas with alternative gas sources.

**To ensure all market participants have equal certainty of being able to bring their full LNG volumes to market, EDF and EDFT propose that each LNG slot booking come with the option of bundled ZTP capacity, up to the value that matches the shipper's send-out.** This will assure LNG shippers of access to ZTP capacity upon a cargo's arrival, while accounting for the uncertainty of when an LNG cargo may actually arrive.

### **3. Request for market guidance on volume and currency conversions**

In addition to the issue above, EDF and EDFT would like to note that market guidance on (1) the conversion from GBP to EUR and (2) the conversion from therm to MWh would be very welcome.





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**ENI SpA RESPONSE**  
**to Fluxys' market consultation 57 of 23 May 2022:**  
**Changes in the regulatory documents for transmission**

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Eni welcomes the opportunity to provide inputs to Fluxys' market consultation 57: Changes in the regulatory documents for transmission. In particular, we would like to provide our view on the following points:

- 1) Simplification of the H-zone market model
- 2) BLISS Reallocation Service for Exit Services
- 3) Diversion Service
- 4) Modifications to Buy Back scheme
- 5) General comment

**1) Simplification of the H-zone market model**

According to the Consultation Brochure, Fluxys is proposing three key changes in this context:

- i. Creation of a Single Trading Point for the Combined Market Area
- ii. Removing Complexity within the Zeebrugge Area
- iii. Removing the IZT Interconnection Point

Eni is in favour of merging the two existing trading points into one single ZTP. Also, we do not oppose the removal of the IZT Interconnection Point.

However, although we can understand Fluxys' intention to merge the Belux market area with the Interconnector in order to simplify the current market model, we are concerned about the removal of the Zee Platform and the services linked to it.

As a matter of fact, today the Zee Platform allows unlimited flows and thus flexibility at a yearly fixed fee invoiced on a monthly basis, among two to four points within the Zeebrugge area, namely ZPT, Zeebrugge LNG Terminal, IZT and Zeebrugge. Fluxys' website specifies that ***"No additional Entry/Exit capacity booking is needed as you don't enter the Belux market zone (ZTP Notional)."***

We read that Fluxys has already received feedback from market participants and that the *"additional complexities linked to the booking processes and fixed costs associated with a subscription service"* that come along with the Zee Platform *"can be limiting factors for certain*



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*market participants and/or for parties focused on shorter term opportunities.*” With Fluxys’ proposal booking processes may be simplified by removing the Zee Platform, but it is extremely detrimental to the flexibilities that it incorporates. We regret not to find anywhere in the proposal the voice of the longer term users that are currently making use of these flexibilities and for which the removal of such a service will result in a significant economical cost increase. For that reason, we ask to maintain the Zee Platform service for the IP points that will continue to exist after the merger (Zeebrugge LNG Terminal, ZPT and IZT).

Should the latter not be possible, we urge Fluxys to consider the implementation of the requests in the following paragraphs.

Fluxys does propose new shorthaul Wheeling and OCUC services for the routes regarding the Zeebrugge area, but they only address a minor part of the concerns linked to the Zee Platform removal. Actually, they would result in additional costs and administration, as well as another layer of restriction in time, flexibility and quantity (see also below 2. BLISS Reallocation Service). These might negatively impact the liquidity currently available.

First of all, whereas today, unlimited flows can go freely among the points included in the Zee Platform at a fixed cost, the shorthaul services only offer a solution to the flow possibilities, but not on the flow quantities. These will come with a variable but unknown tariff as yet, both in terms of structure and amount, and even though most likely reduced, it means the higher the flow, the higher the cost. We therefore believe that these newly created shorthaul services should absolutely be designed in a way to equal the current cost of the Zee Platform and avoid any additional costs for the present Zee Platform users.

For this purpose, we suggest that the future non-bookable IZT Interconnection Point, used for tariff determination and invoicing matters, could also be considered for applying e.g. a significant discount on the shorthaul services in order to determine a shorthaul service tariff/fee reflecting today’s Zee Platform fee.

Secondly, we read in the ACT Attachment B that *“the TSO(’s) offers on PRISMA the possibility to convert Entry and Exit Services into a Wheeling or an Operational Capacity Usage Commitment, under following restrictive conditions:*

- *Entry and Exit Services [from Fluxys Belgium](#) need to have the same Service Period which is at least 1 Gas Day,*
- *[The firm and/or backhaul Entry and/or Exit Service from Fluxys Belgium used for conversion into Wheeling or Operational Capacity Usage Commitments has to be newly acquired in the last 15 Days on the Primary Market](#)*
- *The Service Period of the OCUC or Wheeling [have to be identical as the initially contracted \[Entry and/or Exit Service from Fluxys Belgium used for conversion into Wheeling or Operational Capacity Usage Commitments\]\(#\),](#)*



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- *The Service Start Date is in the future,*
- *The minimum quantity for conversion is 1 kWh/h, the maximum quantity for conversion is the minimum between the initially contracted Entry and Exit Service, and*
- *Conversion can be done till 2 full hours before the start of the Service Period”*

The above list is yet another large set of constraints, temporal, qualitative and quantitative as well as administrative. Considering the freedom and flexibility of the Zee Platform, we strongly believe that the possibility to nominate Wheeling and/or OCUC should:

- be available at any moment and even ex-post (after the usage of the corresponding transport capacity);
- not be limited to Entry and Exit Services having the same Service Periods;
- be accompanied by a significant tariff discount.

We therefore think it reasonable to suggest that a wheeling and/or OCUC request should be possible:

- on a regular basis (e.g. every month)
- retroactively (e.g. within 15 days of the usage).
- for periods shorter than the duration of the original booking.

## **2) BLISS Reallocation Service for Exit Services**

Eni is much in favour of the idea of this service, but Fluxys is putting once again several constraints on current shippers holding capacities on IZT or Zeebrugge.

Whereas today these shippers have absolute freedom to move their gas within the Zee Platform at a fixed price, and although Fluxys is seemingly offering to shift these capacities to any other exit IP, shippers will again meet restrictions in time, quantity and duration. Moreover, the presented timeline could even add a layer of insecurity for shippers wishing to make use of this service.

Fluxys intends to offer this Reallocation Service in a one-off subscription window from 12 September 2022 to 23 September 2022. In addition, to be able to use this service, Shippers would have to purchase upfront the capacities at the destination point towards which they wish to move their initial IZT/Zeebrugge capacities, and more in particular during the yearly auction which is on 4 July 2022. This said, there are some points to be taken into account:

- a) the decision by the NRA is only expected in the course of August 2022. This means that the Shipper has to bear the risk of any possible delay and/or changes. We do not understand how and whether Fluxys can ensure that these shippers have full certainty



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about this service and the newly purchased capacities they want to link to their existing capacities given the envisaged timeline;

- b) the yearly booking obliges the customer to book yearly products, resulting in additional costs for the relevant capacities in the months before the implementation of the merger (i.e. October 2022 and November 2022 respectively, in case of effectiveness from 1 December 2022), and potentially after the termination of the booking of the original capacity to be reallocated. We strongly believe that Shippers should not bear any additional costs as compared to the original capacity.

In this framework, we request the following in addition to the above-mentioned points:

- To remove the constraints related to the bookings in the yearly auction on 4 July 2022 for the purpose of the BLISS Reallocation service, since this is not coherent with the expected date of the NRA final decisions
- Not to limit the BLISS Reallocation service to one unique subscription window, but to foresee e.g. a yearly subscription window for this purpose;
- In case the capacity of the original long term booking does not correspond to entire Gas Years, to allow Shippers to book Short term products in the first available auction round(s) , whereby no multipliers are applied to the relevant new bookings.

### **3) Diversion Service**

In addition, from the info session held on 13 June 2022, we learned that the diversion service is to be maintained even after the implementation of this intended Belux-Interconnector merger. This means in practice that any entry IZT/Zeebrugge capacity could possibly be diverted towards ZPT or Zeebrugge LNG Terminal, but again restrictively on a monthly, quarterly or yearly basis only. We therefore understand that holders of entry capacities at these points would not be in a position to trigger the diversion service for a daily capacity product purchased at one of these points. Taking into account all of the points here above, especially regarding temporal and quantitative flexibility, Eni urges Fluxys to also consider the daily product.

### **4) Modifications to Buy Back scheme**

We do not support Fluxys' proposal on the Buy Back scheme.

In this regard, we want to emphasise the fact that shippers purchase firm capacities based on the assumption that there are no nomination restrictions within the capacities booked. A



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change of the re-nomination rights would change the value of the already booked products and should therefore not be implemented.

Additionally, we believe that firm capacities should under no circumstances be interrupted. We believe that the Oversubscription and Buy Back should be managed by the TSO in a way that does not impact the rights of the holders of firm capacity products.

## **5) General comment**

Last, but not least, we would like to highlight the fact that some companies manage their shipper codes through different entities:

- one entity acts as an Interconnector Ltd shipper; and
- another one acts as a Fluxys shipper.

To facilitate a seamless transition from the current contractual arrangements to the proposed ones, it is required to enable each Interconnector Ltd shipper to appoint its permanent balancing, OCUC and Wheeling services party in the Fluxys system. This would facilitate the continuation of the current Fluxys and Interconnector Ltd service provision to such companies once a Combined Market Area is implemented. Therefore, we kindly ask Fluxys and Interconnector Ltd to take this need into consideration when drafting the wording for proposed changes to the existing agreements ahead of the merger implementation.

To conclude, we kindly invite Fluxys and Interconnector Ltd to consider our above-mentioned points and sincerely hope it can reconsider its position.

Subject: Fluxys Market Consultation 57: Changes in the regulatory documents for transmission  
Date: 20 June 2022  
Contact: Luc Huysmans  
Telephone: +32 496 59 54 15  
Mail: Luc.huysmans@febeg.be

## Preliminary remarks

FEBEG would like to thank Fluxys for having the opportunity to react to the proposed changes in the regulatory documents for transmission.

The inputs and suggestions of FEBEG are not confidential.

## Remarks on the proposed changes

- Simplification of the H-zone market model

Febeg fully supports the creation of a more liquid Belgian H-gas market. Febeg appreciates the efforts made by Fluxys and the proposed adjustments in general, but still has concerns with regard to the removal of the Zee Platform Service and the conversion of the services at the Zeebrugge IP to services at the IZT IP.

Fluxys is proposing to remove today's unlimited flexibility (in time and in volumes) within the Zeebrugge area at a fixed monthly cost, and replace it by very restrictive possibilities to shift existing exit capacity on IZT/Zeebrugge:

- i) **by default**, to exit IZT;
- ii) in a **one-off BLISS Reallocation Service** to any other H-point (see also below),
  - a. that is organised in a unique subscription window, in less than 3 months' time, **from 12 to 23 September 2022**,
  - b. whereby shippers need to purchase the capacity at the desired exit point in the **yearly auction on the 4<sup>th</sup> of July 2022** (so in only 2 weeks' time as from the end of the consultation),
  - c. whilst there is absolutely no certainty about **CREG's decision expected in August 2022**, and therefore absolutely no certainty about this very limited possibility to reallocate one's exit capacities, while the new capacities must already be booked in case Fluxys can go ahead with this reallocation.
  - d. The BLISS reallocation service being offered only in one go in 2022 : although shippers can hold multiple year contracts, not all Fluxys replacement capacities are offered beyond the upcoming gas year
- iii) and by extension, via diversion, again restrictively to the other Zeebrugge area points (i.e. Zeebrugge LNG Terminal or ZPT) :
  - a. FEBEG requests the BLISS reallocation service to be offered on Zeebrugge Entry capacities, so that its holders can have the possibility to reroute them
  - b. The diversion service is only offered on a monthly, quarterly or yearly basis. In our view, daily products should be included in the diversion service.

Although the proposed but very restrictive possibilities above will be free of charge, the result is that shippers currently active on the Zeeplatform will end up with exponential higher costs as from implementation, whereas today there are no additional charges linked to the

intensity of usage in the Zeebrugge area. The wheeling and OCUC services proposed do not make up for the flexibility and costs that the Zeeplatform offers today.

Moreover, the start date of the fusion is expected on December 1<sup>st</sup> 2022, subject to CREG's and OFGEM's approvals. Shippers wishing to exchange their exit Zeebrugge capacity via the BLISS reallocation service will have to purchase the new capacity for the whole Gas Year 22 (from October 2022 to September 2022), while the switch will only take place starting December 1<sup>st</sup> 2022, if not later. Which means that shippers will have to pay both contracts during the period between October 1<sup>st</sup> 2022 and the start date of the markets fusion.

Considering all of the above, we are of the opinion that Fluxys should propose :

- alternatives for the routes within the Zeebrugge area that i) reflect the same costs as today (e.g. via the use of significant discount to tariffs of the proposed shorthaul services), and ii) offer similar flexibility as today, both in terms of time and volume, and
- A flexible reallocation service for contracted Entry and Exit capacities on the Zeebrugge Beach point, on a Yearly basis.

Additionally, Febeg sees potential problems in the relatively short notice period in the event that the planned date of 01.12.22 cannot be met. In this context, FEBEG considers it sensible that a possible postponement should ideally not take place on 01.01.23 but at a later date.

Furthermore, Febeg would welcome some additional clarifications and/or proposals of Fluxys on the following questions or issues identified by market parties:

1. It should be clarified whether the market can assume that the EIC and EDIGAS codes currently valid for the ZTP, will apply analogously to the new delivery point ZTP.
2. How does Fluxys advise to re-index contracts that were indexed to ZeeHub, following the latter's removal? Fluxys has indicated during the information sessions that contracts could be indexed instead to ZTP, but the historic prices on both hubs are not equivalent. How should the price discrepancy be dealt with?
3. How does Fluxys plan to manage the availability of entry capacity to ZTP, as it can be expected that entry demand goes up after the removal of ZeeHub? How will Fluxys, for example, ensure that LNG shippers who have been allocated a slot are guaranteed the possibility of bringing their gas to ZTP?



- BLISS Reallocation Service

As already already elaborated on above, there is absolutely no certainty about this very limited possibility to reallocate one's exit capacities.

Moreover, Febeg would like to use this opportunity to propose an improvement to the L-H Capacity Switch Service. Febeg invites Fluxys to investigate allowing to switch L-gas entry capacity for a mix of H-gas entry capacity and H-gas exit capacity, e.g. 50 % entry and 50 % exit. This proposal can be tuned to avoid any impact on the revenues of the TSO's while it would offer additional flexibility and opportunities for market parties.

- Buy Back scheme

We want to highlight that the changes in the Buy Back scheme could be detrimental to shippers with firm capacities. In the case Fluxys triggers the Buy Back mechanism, it wants to eliminate shippers' possibility to revise their nominations upwards. In addition, Fluxys is proposing to keep and change the possibility to interrupt holders of firm capacity in case the Buy Back mechanism is not sufficient. We believe that firm capacity holders should under no circumstances be interrupted and/or be restricted in their re-nomination rights, and that the Oversubscription and Buy Back should be managed by the TSO in a way that does not impact the rights of the holders of firm capacity products.

Market Consultation 57: Changes in the regulatory documents for transmission

FEBELIEC <febeliec@febeliec.be>  
To marketing@fluxys.com  
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Market Consultation 57: Changes in the regulatory documents for transmission – Febeliec reaction

- Febeliec takes note of the proposed lowering of the minimum Wobbe index as from 1<sup>st</sup> February 2023 on some (V)IPs and understands its motivation. Febeliec invites Fluxys Belgium to clearly notify end users of this change at least 4 weeks ahead of the application date. Febeliec also invites Fluxys Belgium to closely monitor the evolution of the Wobbe index in the Belgian grid and to publish a report on this evolution one year after its implementation.
- Febeliec welcomes the proposed merger of the BeLux market area and the Interconnector, as it reduces complexity and eases access to the BeLux gas market. Febeliec invites Fluxys Belgium to
  - o organize an information campaign for end users on the new market modalities after the approval of the proposed changes, not the least on the announced organization of a re-allocation window in September 2022;
  - o minimize the administrative and financial impact of the changes for existing (and future) contracts;
  - o consult on the proposed new tariffs for the concerned services prior to their introduction.

Kind regards,

Peter Claes\*  
on behalf of Febeliec vzw/asbl  
Federation of Belgian Industrial Energy Consumers  
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Febeliec represents the industrial consumers of electricity and natural gas in Belgium.

Comments on Current Market Consultation: Changes in the regulatory documents for transmission

МОХОВ Никита Петрович <n.mokhov@gazpromexport.gazprom.ru>  
To marketing@fluxys.com  
Cc: ФУРМАН Елена Александровна; НОВИКОВ Кирилл Андреевич  
Comments on Current Market Consultation.pdf  
6 KB

Reply Reply All Forward

Dear Sir/Madam,

Please find attached the position under Current Market Consultation.

Best regards,  
Nikita Mokhov  
Leading Specialist  
Department of Logistics and Gas Storage  
Gazprom export LLC  
2a, Ostrovskogo Sq., Litera A  
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We avail ourselves of the opportunity to express our opinion with regard to the planned regulatory changes in the Belgian market.

The proposal does not take account of the legal interests and rights of the market participants with existing capacities contracted at the affected entry and exit points, thus discriminating between existing and future network users.

The transit route from entry VIP-BENE (ex. Zelzate) to exit Zeebrugge was first agreed between Gazprom export LLC (hereinafter – GPE) and Distrigas & CO S.C.A. (a legal predecessor of Fluxys Belgium SA) back in 2005, with a view to deliver natural gas through the Netherlands and Belgium to the UK market. Later on, Fluxys Belgium has effectively provided these very transit services to GPE by means of Operational Capacity Usage Commitment (OCUC) from VIP-BENE to Zeebrugge, at a discounted tariff.

For shippers like GPE with the aforementioned contracted capacities (OCUC) the regulatory proposal provides several options: (1) to split OCUC into its component legs and to reallocate exit afterwards; (2) alternatively, after expiration of reallocation window and without “unbundling” of OCUC it will be converted to OCUC VIP BENE – IZT while exit IZT will no longer be bookable as of 1 December 2022. This effectively means that implementation of the proposed market optimization will force GPE to “unbundle” OCUC into entry VIP Bene and exit Zeebrugge to the detriment of its portfolio. The regulatory proposal in its current form does not allow GPE to keep intact the profile of bookings at the interconnection points, previously included in OCUC, given the significant difference in tariffs between OCUC and the summarized tariffs calculated separately for entry and exit (circa 70%). It does put GPE in a vulnerable position as the profile of bookings and their term could remain unaffected only if GPE makes additional bookings and bear extra costs of around 7.5 mln. Euros in terms of 2023 transmission tariffs.


These facts make the proposed scheme discriminative. Moreover, the planned changes could not have been anticipated and would exert significant and negative influence upon GPE.


Therefore, the shippers with affected long-term bookings shall be given an explicit option to terminate their transmission contracts, as the foregoing substantial changes to the regulatory framework will have an unequivocally negative impact upon shippers’ economic position. Such an option is a common industry practice for transmission system operators across the European Union. For example, the adjacent Dutch TSO, Gasunie Transport Services B.V., implemented a comparable market integration of the BBL pipeline into the TTF market zone in 2019, providing shippers an option to terminate bookings, affected by the changes.

We expect that the final decision would accommodate our concerns.

## Consultation 57, integrating IUK



ton.den.bieman@rwe.com  
To  marketing@fluxys.com

 You forwarded this message on 20/06/2022 12:21.

Dear marketing team,

We as RWEST in principal welcome the proposal you are consulting on the simplification of the H-market model (consultation 57).

We think merging the notional and virtual Zeebrugge hubs will concentrate liquidity, which is positive, and we think acquisition of new capacity will be easier.

We are however concerned on the long term OCUC capacity we hold.

Fluxys is organizing a reallocation window for this in September (12-23) but we have not made up our mind yet whether we want to use the options offered or not.

Regards

Ton