

MARKET CONSULTATION ON BALANCING TARIFFS IN THE BELUX AREA IN 2018

10 July 2017 – 04 August 2017

1 INTRODUCTION

In accordance with CREG decision (B)150903-CDC-656G/29, Fluxys Belgium shall introduce a proposal to CREG for approval, regarding the balancing tariffs applicable during the next balancing period (between 1st of January 2018 and 31st of December 2018).

In this context, a market consultation is organized on the proposed balancing tariffs applicable during the next balancing period.

The balancing tariffs consist of the neutrality charge, the small adjustment “helpers” and the small adjustment “causers”.

For the sake of clarity, Balansys (balancing coordinator in Luxembourg) will also introduce such a proposal to its regulatory authority (Institut Luxembourgeois de Régulation), regarding these tariffs and period.

2 LEVEL OF THE BELUX NEUTRALITY ACCOUNT

In accordance with CREG decision (B)150903-CDC-656G/29, the level of the BeLux neutrality account by 30 June 2017 shall be taken into account in order to determine the neutrality charge for the next tariff period.

End of June 2017, the BeLux neutrality account was standing at +214.552 €.

In accordance with Commission Regulation (EU) No 312/2014 (BAL NC), the level of the BeLux neutrality account is published every month on the website of Fluxys Belgium:

<http://www.fluxys.com/belgium/en/Services/Transmission/TransmissionTariffs/TransmissionTariffs>.

3 PROPOSED BALANCING TARIFFS FOR THE NEXT TARIFF PERIOD

3.1 Neutrality Charge

In accordance with article 29 of BAL NC, balancing activity must be financially neutral : *“the transmission system operator shall not gain or lose by the payment and receipt of daily imbalance charges, within day charges, balancing actions charges and other charges related to its balancing activities“*.

A neutrality charge of 0.005 €/MWh was introduced in the balancing tariffs for 2017. This element combined with an increase of the average gas price and – since Q4 2016 – an increase of the excess and shortfall balancing volumes to be settled at the end of the day explain the positive evolution of the BeLux neutrality account.

Taking into account the neutrality charge and assuming a comparable trend for the end-of-day settlements during the last 6 months of 2017, the BeLux neutrality account should reach +500 k€ by the end of 2017.

We therefore **propose to return to a neutrality charge of 0 €/MWh for 2018**. If the trend observed in 2016 and 2017 continues in the future, we expect the BeLux neutrality account to be reduced by around 300k€ in 2018 and to reach +200k€ by the end of 2018.

This proposal is without prejudice to the possibility to submit a reviewed tariff proposal in the future (at the time of the next tariffs proposal or during the next tariff period if necessary) in accordance with CREG decision (B)150903-CDC-656G/29.

3.2 Small Adjustments

Since November 2016, Fluxys Belgium noticed both an increase of the end-of-day volumes to be settled and of the within-day balancing actions. We interpret this as a sign that the market is confident that the BeLux market-based balancing system ensures that settlements will be done at a fair price.

We therefore propose to maintain the **small adjustment for causers** at its value of **3%**.

Concerning the **small adjustment for helpers** and willing to continue to incentivize the shippers to contribute to the reduction of the market imbalance, we propose to maintain its value to **0%**.

Those values are lower than the limit foreseen in article 22.7 of the BAL NC (10%) and can be reviewed in accordance with CREG decision (B)150903-CDC-656G/29.