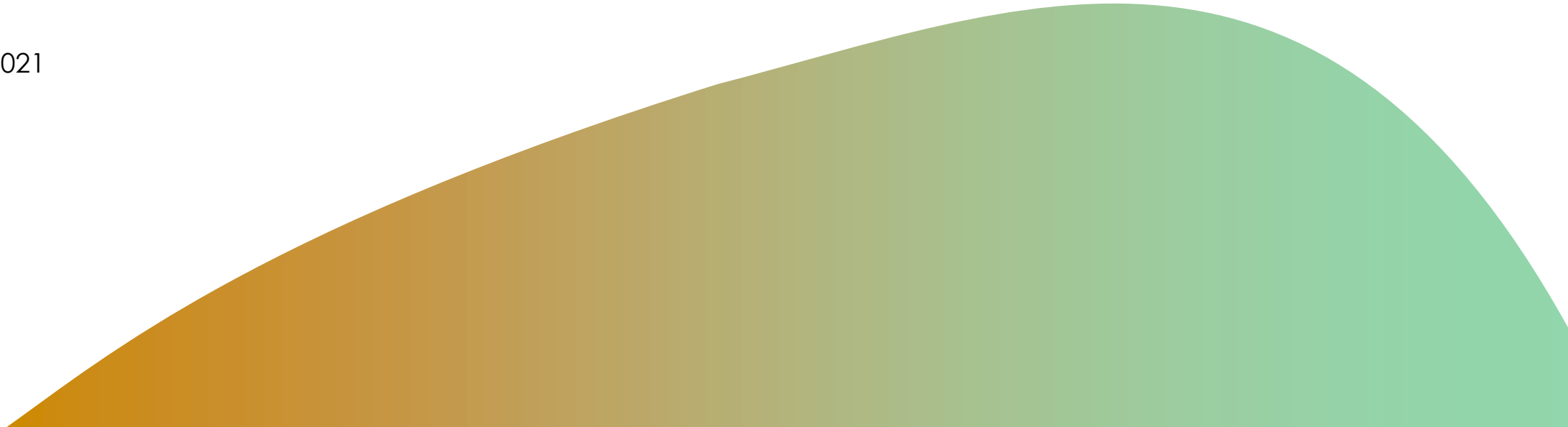


Info session: new commercial storage model




Consultation 51

May 20th 2021



Welcome and way of working

WELCOME

- Please keep your microphone muted 
- Questions can be asked in written via the chat and will be addressed at the end of the session
- Slides will be shared after the info session on the Fluxys website
- For further questions after this info session, reach out to our Key Account Managers



Agenda

➤ Timeline of consultation 51 & 52

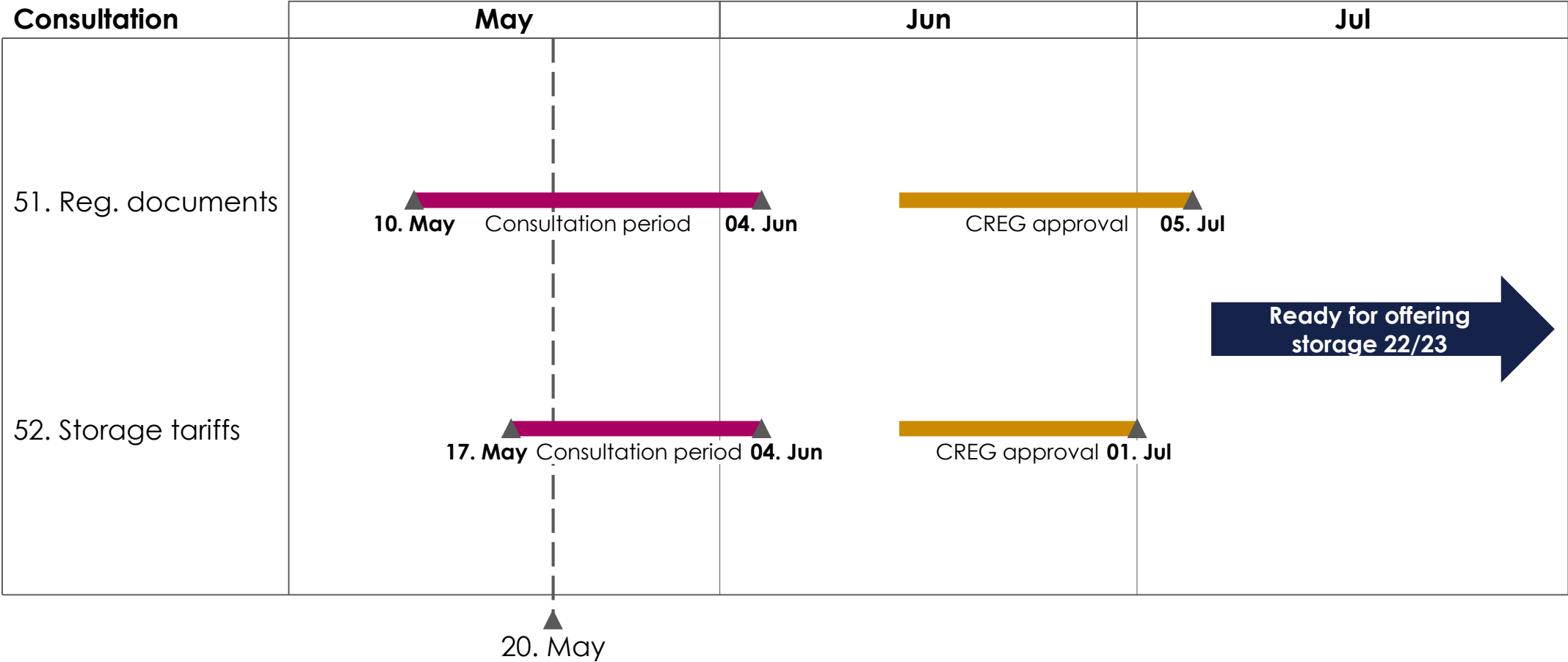
➤ Proposed adjustments by Fluxys BE

- Storage products
- Storage selling mechanisms

➤ Q&A



Timeline of storage consultations



Agenda

- **Timeline of consultation 51 & 52**

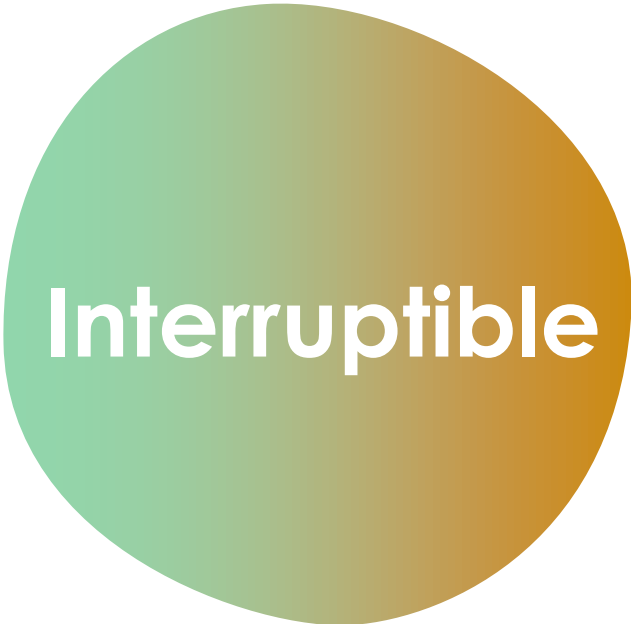
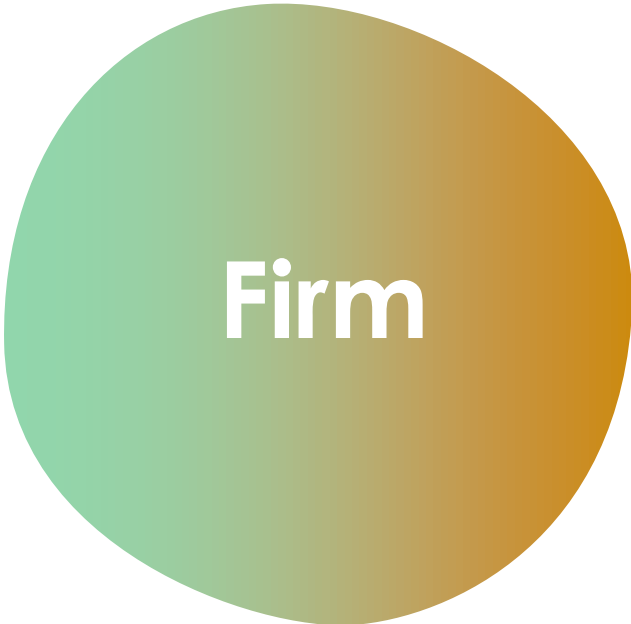
- **Proposed adjustments by Fluxys BE**

- Storage products
- Storage selling mechanisms

- **Q&A**



Fluxys offers two types of storage products



The new SBU is much more simplified and optimized

Default SBU (old)

Nature	Injection [m ³ (n)/h]	Storage Volume [MWh]	Withdrawal [m ³ (n)/h]
Firm	0,85294	25,07924	1,70588
Conditional	0,25588	2,04160	0,42647

- Mix of firm and conditional capacity
- Different units when booking capacities (m³/h <-> MWh)
- Not all capacity offered



Golden SBU (new)

Nature	Injection [MWh/h]	Storage Volume [MWh]	Withdrawal [MWh/h]
Firm	0,011	30,44	0,022

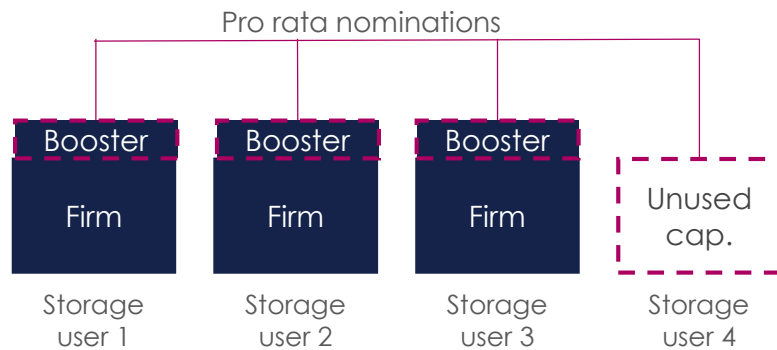
- Only firm capacity
- Uniform units (MWh/h) -> same units for rights and nominations
- All capacity offered



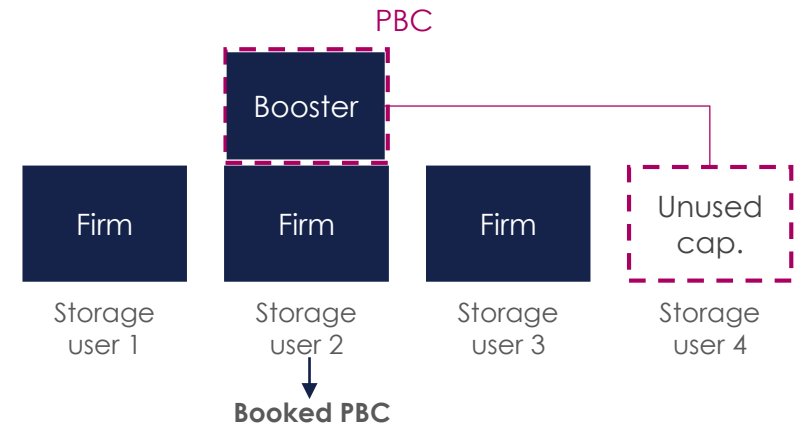
Boost the speed of your SBU by using the Booster Capacity



Booster Capacity (=DAM/NNS)



Priority Booster Capacity (PBC)



- Nominate more than your inj/wd rights by using Booster capacity*
- On a daily basis and at firm inj/wd tariff (no booking needed)
- Allocations depends on available Booster capacity
- Allocations are pro rata the nominations exceeding the inj/wd rights

- Get priority on the Booster capacity by booking PBC upfront
- You choose the amount of capacity and the duration
- Duration options: Seasonal, Quarterly, Monthly or BOM
- Minimum tariff: 80% of firm inj/wd tariff

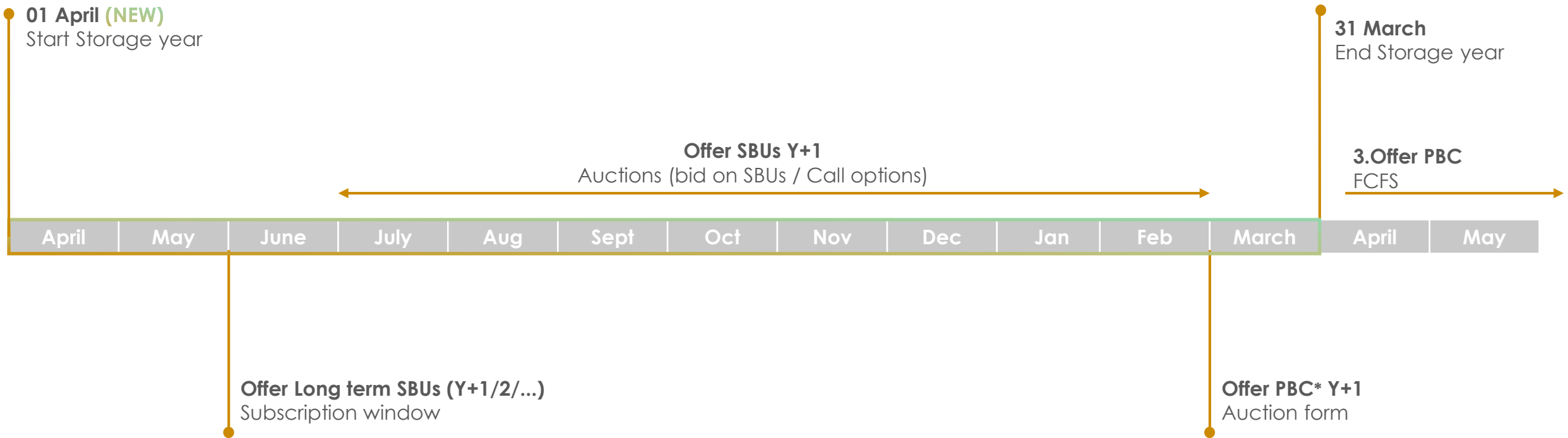


*Booster capacity is the daily unused firm capacity from storage users or Fluxys TSO that can be used by other storage users



Commercial timeline of a Fluxys storage year

The purpose is to show the order of the commercial process, the months are just an example



*PBC = Priority Booster Capacity



First long term SBUs will be offered to the market via subscription window

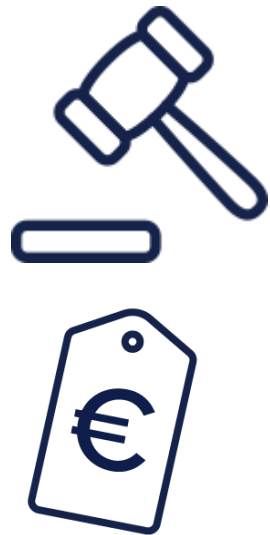
Long term SBU – commercial process

- **When:** before commercializing SBUs Y+1
- **Selling mechanism:** Subscription window
- **Price:** regulated price
- **Period:** 2 – 10 years
- **Quantity offered:** available SBUs for each year*
- **Extra:** LT Storage users have priority on buying Priority Booster Capacity (*Seasonal – Quarterly*)

*Max 75% of the SBUs can be allocated to one Storage User



Thereafter, SBUs Y+1 will be offered via (innovative) auctions



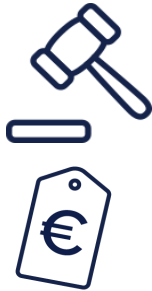
Bid on
SBUs

Bid on
call options



Innovative auction mechanisms for offering maximum value to our clients

1. Bid on SBUs



Buy immediately
your SBUs

Offered product: SBUs Y+1

Bidding mechanism: Ascending clock

- Fluxys increases gradually price (as long as demand > offer)
- Participant bids requested SBUs

Reserve price: depends on market conditions (will be given in T&C)

Allocation procedure: pro rata requests

2. Bid on Call options



Reserve your SBUs
and decide later

How does it work?

1. Participant **reserves SBUs** for X months (decision period)
2. Participant decides **if and when** he wants to buy the SBUs

What is the price?

1. Fluxys fixes the **SBU price** (=strike price*) before the auction
2. Participant bids the **premium** for having the call option

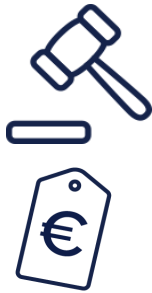
- Ascending clock
- Reserve price: will be given in T&C

*The strike price will depend on market conditions



Innovative auction mechanisms for offering maximum value to our clients

1. Bid on SBUs



Offered product: yearly SBUs

Bidding mechanism: Ascending clock

- Fluxys increases gradually price (*as long as demand > offer*)
- Participant bids requested SBUs

Reserve price: depends on market conditions (*will be given in T&C*)

Allocation procedure: pro rata requests

*The strike price will depend on market conditions

2. Bid on Call options



What if participant exercises its call options?

1. Participant bought the SBUs
2. Total price: strike price + premium



What if participant doesn't exercise its call options?

1. Storage user didn't buy the SBUs
2. Total price: premium



Finally, Priority Booster Capacity (PBC) will be offered via an Auction form; a quick and easy auction process

3. Auction form

More information on max offered capacities, reserve prices and possible periods
-> **terms and conditions**

Company name: _____

Injection PBC
Requested capacity: _____
Period: _____
Price: _____

Withdrawal PBC
Requested capacity: _____
Period: _____
Price: _____

Via mail



STORAGE USER

Allocation procedure

1. Longest duration
2. Highest (price x req. capacity)



Main changes in regulatory docs and SSA of storage

PRODUCTS

- **2 types of SBU**
 - Default SBU: firm + conditional capacity -> until 31/03/22
 - **Golden SBU:** 100% firm capacity -> from 01/04/22
- **Priority Booster Capacity**
 - Priority on the Booster capacities (*today "DAM/NNS"*)
 - No yearly fee (€3,9k) anymore for using Booster capacity
- **Injection and withdrawal capacity: m³/h -> kWh/h**

SELLING MECHANISMS

- Subscription window and FCFS
- Auctions:
 1. Bidding on SBU
 2. **Bidding on call option**
 - Fluxys reserves SBUs for shipper
 - Shippers decide if and when to buy
 3. **Auction form**
 - One step auction (no bidding)
 - Shippers fill in quantity, duration and price

EXTRA

- **New start storage year**
 - **01 April** (instead of 15 April)
- **Changes in the SSA**
 - Possibility for **storage service reduction in case of incident on transmission system** and **creditworthiness**





Questions?

For any question, contact your Key Account Manager



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Back up



Order of priority for injection/withdrawal capacity

