

# Market Consultation 58

## One Page Note



SoS regulation for Storage Operator



## Introduction

Following the entry into force of the Gas Security of Supply Regulation (EU) 2022/1032 with the objective of ensuring that storage capacities in the EU are filled before the winter season and can be shared between member states in a spirit of solidarity, Fluxys Belgium is proposing adjustments to its storage services, applicable as from next storage year, with a focus on (i) implementing the dispositions of the regulation, (ii) measures when deviating from these dispositions, including penalties and (iii) measures to avoid termination of contract during a storage year. In the meantime, the opportunity has been taken to (iv) remove the 'default SBU' (including conditional capacity), (v) adjust the allocation rule when using Auction Forms and (vi) some other technical improvements.

The consultation starts on August 30th and ends on September 19th 2022 close of business

### i. **Implementing the dispositions of the Gas Security of Supply Regulation (EU)**

In order to ensure that storage capacities in the EU are filled before the winter season and can be shared between member states, the European Commission proposed amends to the SoS Regulation for storage operators. More precisely, they instate a filling target of the storage facility on 01 November as well as specific intermediary targets during injection season and in February. Therefore Fluxys Belgium proposes to introduce two new terms:

1. **Filling Target** (previously defined as "GIS 90% rule"): the minimum filling level storage users must achieve for their seasonal storage volume on 01 November.
2. **Filling Trajectory Targets**: between May and February the next year, storage users having subscribed seasonal storage shall ensure that their GIS is never less than the Filling Trajectory Targets applied to their seasonal storage volume.

### ii. **Measures when storage users deviate from Filling (Trajectory) Targets**

In order to ensure the storage facility is sufficient filled with gas before winter, Fluxys Belgium proposes to implement various Filling (Trajectory) Targets measures – existing out of different steps – if it notices that storage user will not be able to reach the Filling (Trajectory) Targets.

Penalties are foreseen in case the filling target and filling trajectory targets are not reached.

When needed for security of supply, additional measures may also be taken by the competent authority, in concertation with the CREG.

### **iii. Measures to avoid termination of contracts during a storage year**

In order to avoid not reaching the Filling (Trajectory) Targets because of a contract termination, storage users are not allowed to terminate the storage services during a storage year.

1. Storage users may transfer their storage services and gas in storage through the secondary market during a storage year.
2. In case a storage user does not use its subscribed capacity, the measures specified in (ii) are applied.

### **iv. No more 'default SBUs' offered**

In light of the expiration of long term storage contracts and in line with the new commercial storage model, Fluxys Belgium proposes to stop offering the 'default SBUs' and instead commercialize only the 'Golden SBUs' as seasonal storage service. This entails that 'conditional capacity' will not be offered anymore.

### **v. Adjustment of the allocation rule when using Auction Forms**

When allocating storage services by means of an Auction Form, Fluxys Belgium proposes to give priority to storage users bidding the highest [duration x bid x capacity].

### **vi. Technical improvements**

Next to the abovementioned changes, several textual adjustments have been realized in order to improve the readability of the text. These textual adjustments can be found in Attachment B, C1,2, D1 and F of the Access Code for Storage (ACS) and in the Storage Program. Furthermore, adjustments have been made in the Standard Storage Agreement (SSA).