Market Consultation 69 - report

Access Code for Transmission, Transmission Program and the Standard Transmission Agreement

1. Introduction

From October 15th 2024 until November 5th 2024 included, Fluxys Belgium consulted the market on its proposed changes to the regulatory documents in a continuous effort to further improve its service offering for network users.

The following changes relate to the Access Code for Transmission (ACT) – Attachments A and B

(i) Updating the procedure for using Capacity Conversion Service
(ii) Updating the procedure in case an End User Domestic Exit Point has an Allocation Agreement with multiple Network Users and one of the concerned Network User decides to terminate the transport services towards this End User Domestic Exit Point
(iii) Removal of the L Capacity Switch Service, in the framework of the physical L-gas to H-gas conversion project
(iv) Removal of the non-peak capacity exceeding and associated calculation method

The following change relates to the Transmission Program

(i) Removal of obsolete references to OCUC and Wheeling Services

The following change relates to the Standard Transmission Agreement:

(i) small changes to include into an allocation agreement the Local Producer and the Domestic Point for Injection

2. Consultation process

Fluxys Belgium launched this market consultation by publishing the proposed changes in the regulated 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.

From 15 October until 5 November 2024 included, stakeholders were invited to submit their written feedback and, if needed, to seek additional information through bilateral contact with Fluxys Belgium.

Taking into account the comments received, Fluxys Belgium submits for approval to the CREG, the so amended version of the above-mentioned regulatory documents, the Access Code for Transmission, the Transmission Program and the Standard Transmission Agreement, that aims to become applicable as from publication.

3. Outcome of consultation process

Feedback regarding the proposed changes was received from one Network User and one Representing Organisation. None of the comments was confidential. All comments are listed in the appendices of the present report.

There was a shared remark about the procedure in case one Network User decides to terminate the transport services towards this End User Domestic Exit Point.

They suggest that when there are multiple clients associated with a single point, Fluxys Belgium could disconnect the supply for the client without a shipper and, if necessary to modify the administrative configuration of the point. Fluxys wants to point out that there are presently no such cases and that there are physical limitations in disconnecting End Users without a shipper from the grid in such cases. Any administrative change moreover would only provide a fitting solution to some cases but not to others.

A second remark in that respect is about Fluxys Belgium acting as a shipper of last resort in case services are terminated by a shipper. In general, it is considered unfair that a shipper which is party to an allocation agreement with multiple shippers and/or end users, and which is deciding to early terminate its transmission services with Fluxys towards the concerned end user(s), has an impact on the other remaining shippers. Fluxys Belgium wants to point out that its role as a shipper of last resort is clearly described in the regulations and that in any other case it will be up to the shippers to assess the risk before engaging in a commercial relationship between any final client and/or shipper, to which Fluxys Belgium is no party (apart from signing for the services offered). To allow the shipper to act according to the risk assessment they have carried out, Fluxys Belgium will use its best effort to inform all remaining shippers of the fact that one shipper has terminated its services, and to apply the proportional allocation rule between the remaining shippers in the meantime as a general rule, as already mentioned in the regulatory documents.

Lastly one respondent asked, regarding the procedure for using Capacity Conversion Service, that manual ex-post capacity conversion remains a possibility. This is foreseen as set out in Att. B of the ACT in art. 3.5.6.1 and a form will be made available on the Fluxys website.

No other remarks about the proposed changes to the Access Code for Transmission, the Transmission Program and the Standard Transmission agreement were received.

Fluxys Belgium would like to take the opportunity to make a small adjustment to the Access Code Transmission that was not included in the consultation process. The formulas for the calculation of the Peak Entry Exceeding Incentive at Domestic Points for Injection (see Attachment A paragraph 3.1.3.1) did not use the correct tariff for the corresponding service, in casu the tariff for firm services has been used whereas they should be the tariff for conditional services, as indicated in the tables in paragraph 3.1.1.

Moreover, the indices will be added to the Pressure Service Tariff, for both entry (conditional) and exit (firm), for the avoidance of all and any doubt.

The formula in paragraph 3.1.3.1 will be changed to the following:

$$IEEE_{m,p,XP,g} = EEE_{m,p,XP,g} \times \left(\boldsymbol{T_{c,en}} + PS_{XP} \times \boldsymbol{T_{c,PS}} + QCtoH_{XP} \times T_{QCtoH}\right) \times NYM \times STM \times \frac{Nm}{Ny}$$

The formula in paragraph 3.1.3.2 will be changed to the following:

$$IEXE_{m,p,XP,g} = EXE_{m,p,XP,g} \times \left(T_{f,HP} + PS_{XP} \times \boldsymbol{T_{f,PS}}\right) \times NYM \times STM \times \frac{Nm}{Ny}$$

4. Appendices

a. E-mail : invitation for consultation

b. List of documents in consultation

c. Questions & Answers

d. Printed copy of written comments

E-mail invite for consultation

Fluxys Belgium: Market Consultation 69: Update for all regulatory documents and a new connection agreement Local Producer non-compatible gas

Dear Customer,

Participate in our market consultation that will take place from **15 October 2024 to 5 November 2024**. The following changes are introduced in the regulatory documents:

- To the Access Code for Transmission (ACT) – Attachments A and B

  (i) Updating the procedure for using Capacity Conversion Service (ii) Updating the procedure in case an End User Domestic Exit Point has an Allocation Agreement with multiple Network Users and one of the concerned Network User decides to terminate the transport services towards this End User Domestic Exit Point (iii) Removal of the L Capacity Switch Service, in the framework of the physical L-gas to H-gas conversion project (iv) Removal of the non-peak capacity exceeding and associated calculation method

- To the Transmission Program

  (i) Removal of obsolete references to OCUC and Wheeling Services

- To the Standard Transmission Agreement

  (i) Small changes to include into an allocation agreement the Local Producer and the Domestic Point for Injection

- Introduction of a new Connection Agreement for local producers of non-compatible gases.

The documents can be consulted on our website.

You are kindly invited to send your written comments to marketing@fluxys.com **by 5 November 2024 before 17:00 CET.**

Please mention 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,

The Commercial Team

E-mail invite for consultation

Questions and Answers					
#	From	Confidential?	Topic	Questions / Comments by Stakeholders	Answers / Comments by Fluxys Belgium
4.1	ENI	No	Procedure in case NU terminates transport services towards EU	In the case where multiple clients are associated with a single point (GEL), Eni suggests Fluxys could disconnect the supply for the client without a shipper, ensuring this action does not impact the other client(s). If necessary, the administrative configuration of the point should be modified, such as splitting it into two GEL's.	This was not the subject of the consultation and will not be treated here. Fluxys Belgium has contacted the shipper for further clarification, during which it was explained that the only connection point that answers to this configuration is already being split and will soon not exist anymore.
4.2	ENI	No	Procedure in case NU terminates transport services towards EU	For cases involving multiple shippers for one client: 1. as mentioned in the "Standard Connection Agreement - Client Final" §3.4.3, Fluxys is the shipper of last resort for 10+2 days agreement days for the portion allocated to the failing shipper. This should also be mentioned in the ACT.	First of all Fluxys Belgium wants to clearly stipulate that there are two distinct procedures 1. In case of a shipper default 2. In case of a shipper wishing to end his (commercial) contract with an End User The first procedure is described in the Connection Agreement, with clear reference to art. 85 §3 of the Code of Conduct, where Fluxys Belgium will act as a shipper of last resort, to protect the End User from the consequences of a defaulting shipper, to which he has no fault. The second procedure is described in the Code of Conduct, more specifically the articles 63 and 64. In turn the Access Code Transmission describes the operational rules in such cases. The different procedures are already described in the respective documents. With regard to what is already mentioned above, Fluxys Belgium will only act as a shipper of last resort in case where a shipper is in default (suspended or bankrupt) and only for the part of the defaulting shipper. In any other case, the termination of services is governed by the applicable procedures between the different parties. Since there is no legal ground for closing the valve as long as there is a shipper remaining, nor is it operationally possible to *proportionally* close the valve, for those cases where there is more than one shipper, rules for allocation have been defined. They are found in the Access Code Transmission.
				2. in case of service termination by one of the shippers, we suggest the same way of working, meaning Fluxys as shipper of last resort until the end of the impacted allocation agreement for the portion allocated to that particular shipper. If after this period there still is no solution and/or no new allocation agreement, Eni proposes that Fluxys is given the possibility to go close the valve after that period.	

					It is up to the shippers to assess the risk before engaging in a commercial relationship between any final client and/or shipper, to which Fluxys Belgium is no party (apart from signing for the services offered). The existing procedure obliges the End User to reduce his consumption to the level for which he has subscribed services, exposing himself to liability as described in the Connection Agreement.
4.3	ENI	No	Procedure in case NU terminates transport services towards EU	For the cases involving multiple shippers to multiple clients associated with a single point, Eni suggests Fluxys could disconnect the supply for the client without a shipper by splitting the point into two GELs (cf. point A). If not feasible or until the splitting process is completed, we suggest Fluxys to act as shipper of last resort until the end of the impacted allocation agreement for the portion allocated to that particular shipper (cf. point B.2).	See 4.1 and 4.2
4.4	ENI	No	Procedure in case NU terminates transport services towards EU	In any case, Eni is of the opinion that the fact that a shipper which is party to an allocation agreement with multiple shippers and/or end users, and which is deciding to early terminate its transmission services with Fluxys towards the concerned end user(s), should by no means impact the other remaining shippers. The current text proposal "applying a proportional allocation rule based on the subscribed capacity of the concerned remaining Network User(s) for the concerned End User Domestic Exit Point or Domestic Point for Injection, until a signed Allocation Agreement is received by the TSO" is just unfair, since the remaining Network User(s) have entered into a sales contract with the end user, and hence have taken positions not only on related volumes and capacity bookings, but also with regards to credit and financial risks. Putting the burden on the remaining Network User(s) leads to even more risks and could be detrimental to it/them, as it results in i) additional volumes, ii)	Fluxys Belgium has proposed a solution that is workable in any configuration where (part of) the risk, that is considered a commercial risk between shipper(s) and end user with the shippers, is offset by the effort Fluxys Belgium will take to inform any remaining shipper of such event. This will allow the remaining shipper(s) to take appropriate actions. The proportional allocation rule, although already mentioned in the regulatory documents, has been made into a general rule, as opposed to leaving the decision for an allocation rule entirely with the End User, which was considered unreasonable by different stakeholders.

				capacity exceeding, and iii) additional credit/financial exposure, none of which are covered by the sales contract.	
5.1	FEBEG	No	Procedure in case NU terminates transport services towards EU	In the case where multiple clients are associated with a single point, FEBEG suggests Fluxys could disconnect the supply for the client without a shipper, ensuring this action does not impact the other client. If necessary, the administrative configuration of the point should be modified, such as splitting it into two GELs.	See 4.1
5.2	FEBEG	No	Procedure in case NU terminates transport services towards EU	For cases involving multiple shippers for one client: - as mentioned in the "Standard Connection Agreement - Client Final" §3.4.3, Fluxys is the shipper of last resort for 10+2 days for the portion allocated to the failing shipper. This should also be mentioned in the ACT. - in case of service termination by one of the shippers, we suggest the same way of working, meaning Fluxys as shipper of last resort for 10+2 days for the portion allocated to that particular shipper. If after this period there still is no solution and/or no new allocation agreement, FEBEG proposes that Fluxys is given the possibility to go close the valve after that period.	See 4.2
5.3	FEBEG	No	Procedure in case NU terminates transport services towards EU	In any case, FEBEG is of the opinion that the fact that a shipper which is party to an allocation agreement with multiple shippers and/or end consumers, and which is deciding to early terminate its transmission services with Fluxys towards the concerned end consumer(s), should by no means impact the other remaining shippers. The current text proposal "applying a proportional allocation rule based on the subscribed capacity of the concerned remaining Network User(s) for the concerned End User Domestic Exit Point or Domestic Point for Injection, until a signed Allocation Agreement is received by the TSO" is just unfair, since the remaining Network User(s)	See 4.4

				have entered into a sales contract with the end user, and hence have taken positions not only on related volumes and capacity bookings, but also with regards to credit and financial risks. Putting the burden on the remaining Network User(s) leads to even more risks and could be detrimental to it/them, as it results in i) additional volumes, ii) capacity exceedings, and iii) additional credit/financial exposure, none of which are covered by the sales contract.	
5.4	FEBEG	No	Capacity Conversion procedure	ACT Attachment B, point 3.5.6.1: "The TSO does not allow ex-post capacity conversion for newly acquired Bundled Capacity on PRISMA". FEBEG believes allowing a manual ex-post capacity conversion in case of a technical problem with the Prisma process is necessary.	Fluxys Belgium does not offer the possibility of ex-post capacity conversion via PRISMA, but it is still possible manually using a form. This is foreseen in Att. B of the Access Code Transmission in art. 3.5.6.1 : After the auctioning of Bundled Capacity on PRISMA for the corresponding Service Period and Interconnection Point, Network User may request the conversion of corresponding existing unbundled Capacity. To that end, Network User shall send to the TSO a Conversion request Form within 5 Business Days following the Day on which the auction took place on PRISMA. A form will be made available on the Fluxys Belgium website as for all other forms available to shippers.

The documents are available in our website: https://www.fluxys.com/en/natural-gas-and-biomethane/empowering-you/customer-interactions/consultations-in-belgium---transmission/fluxys-belgium-market-consultation-69 .

Fluxys Belgium market consultation 69: Update for all regulatory documents and a new connection agreement Local Producer non-compatible gas

Participate in our market consultation that will take place **from 15 October 2024 to 5 November 2024**. The following changes are introduced in the regulatory documents:

- To the Access Code for Transmission (ACT) – Attachments A and B:
  - (i) Updating the procedure for using Capacity Conversion Service
  - (ii) Updating the procedure in case an End User Domestic Exit Point has an Allocation Agreement with multiple Network Users and one of the concerned Network User decides to terminate the transport services towards this End User Domestic Exit Point
  - (iii) Removal of the L Capacity Switch Service, in the framework of the physical L-gas to H-gas conversion project
  - (iv) Removal of the non-peak capacity exceeding and associated calculation method
- To the Transmission Program
  - (i) Removal of obsolete references to OCUC and Wheeling Services
- To the Standard Transmission Agreement
  - (i) Small changes to include into an allocation agreement the Local Producer and the Domestic Point for Injection
- Introduction of a new Connection Agreement for local producers of non-compatible gases.

The following document summarises the proposed changes: **Key Note Consultation 69**

Documents in consultation (with track changes):

- **Transmission Program**
- Access Code for Transmission (**Attachment A**)
- Access Code for Transmission (**Attachment B**)
- **Standard Transmission Agreement**
- **Connection Agreement – Local producer of non-compatible gases** (FR)
- **Connection Agreement – Local producer of non-compatible gases** (NL)

You are kindly invited to send your written comments to **marketing@fluxys.com** by **5 November 2024 before 17:00 CET**.

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

Questions & Answers

Printed copy of written comments

All reactions			
Company	**First Name**	**Last Name**	**Confidential**
FEBEG	Luc	Huysmans	No
ENI	Viviana	Palmieri	No

FEBEG

marketing@fluxys.com

From: Luc Huysmans (Febeg) <luc.huysmans@febeg.be>
Sent: 05 November 2024 17:13
To: marketing@fluxys.com
Subject: FEBEG reaction Fluxys cons 69
Attachments: 241105_FEBEG_CONS_Fluxys_69_allocation agreement_local producer.docx

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Dear all

Please find in attachment our reply to market consultation 69

Best regards

Luc Huysmans
power generation & energy policy advisor

Federation of Belgian Electricity and Gas Companies vzw/asbl
Rue Royale - Koningsstraat 146
1000 Brussels
www.febeg.be

T: + 32 2 500 85 85
M: + 32 496 59 54 15
Email: luc.huysmans@febeg.be
Please consider the impact on the environment before printing this e-mail

POSITION

Subject: FEBEG reaction on Fluxys market consultation 69
Date: 5 November 2024

Contact: Luc Huysmans
Telephone: +32496595415
Mail: Luc.huysmans@febeg.be

Introduction

FEBEG thanks Fluxys for the opportunity to react to Market Consultation 69: Update for all regulatory documents and a new connection agreement Local Producer non-compatible gas.

The consultation focuses on updating the procedure for using Capacity Conversion Services; updating the procedure in case one Network User decides to terminate the transport services towards this End User Domestic Exit Point; changes to the Access Code Transmission and the Transmission Program; and the introduction of a New Connection Agreement for Local Producers of Non-Compatible Gas.

The deadline for this consultation is 5 november 2024, EOB.

The remarks and suggestions of FEBEG are not confidential.

Remarks

1. On the procedure in case one Network User decides to terminate the transport services towards this End User Domestic Exit Point

- In the case where multiple clients are associated with a single point, FEBEG suggests Fluxys could disconnect the supply for the client without a shipper, ensuring this action does not impact the other client. If necessary, the administrative configuration of the point should be modified, such as splitting it into two GELs.
- For cases involving multiple shippers for one client:
  - as mentioned in the "Standard Connection Agreement – Client Final" §3.4.3, Fluxys is the shipper of last resort for 10+2 days for the portion allocated to the failing shipper. This should also be mentioned in the ACT.
  - in case of service termination by one of the shippers, we suggest the same way of working, meaning Fluxys as shipper of last resort for 10+2 days for the portion allocated to that particular shipper. If after this period there still is no

solution and/or no new allocation agreement, FEBEG proposes that Fluxys is given the possibility to go close the valve after that period.

- In any case, FEBEG is of the opinion that the fact that a shipper which is party to an allocation agreement with multiple shippers and/or end consumers, and which is deciding to early terminate its transmission services with Fluxys towards the concerned end consumer(s), should by no means impact the other remaining shippers.
  The current text proposal "*applying a proportional allocation rule based on the subscribed capacity of the concerned* ***remaining Network User(s)*** *for the concerned End User Domestic Exit Point or Domestic Point for Injection, until a signed Allocation Agreement is received by the TSO*" is just unfair, since the remaining Network User(s) have entered into a sales contract with the end user, and hence have taken positions not only on related volumes and capacity bookings, but also with regards to credit and financial risks.
  Putting the burden on the remaining Network User(s) leads to even more risks and could be detrimental to it/them, as it results in i) additional volumes, ii) capacity exceedings, and iii) additional credit/financial exposure, none of which are covered by the sales contract.

2. On the changes to the Access Code Transmission and the Transmission Program

ACT Attachment B, point 3.5.6.1: "*The TSO does not allow ex-post capacity conversion for newly acquired Bundled Capacity on PRISMA*".

FEBEG believes allowing a manual ex-post capacity conversion in case of a technical problem with the Prisma process is necessary.

3. On the Connection Agreement – Local producer of non-compatible gases

3.2.11. "The Local Producer accepts that the injection of Non-Compatible Gas (given the need for blending into Compatible Gas), may be subject to restrictions and, if necessary, should be temporarily reduced or stopped, at the explicit request of and within the predetermined time by the Operator, in accordance with the interruption procedure of the Quality Conversion to H Service as set out in Annex C.4 of the Access Code for Transmission."

FEBEG would like to know what the conditions and limits are, with regards to the limitation, reduction or cessation of injection by the grid operator. Are there stipulations on project-specific minimum flows? And what compensation mechanism is worked out to compensate for interruptions?

7.5. "Provided that three (3) months' notice is given, the Operator shall be entitled to request that the connection of the Local Injection Station to the Natural Gas Transmission Network be discontinued and this Contract terminated, subject to the payment of the Regulated Tariffs for this operation, and provided that no Standard Natural Gas Transmission Contract was concluded during a period of at least three (3) calendar years for this Local Injection Station, and provided that the Operator is held to and can demonstrate to take measures beyond the normal management and maintenance of the transmission facilities to keep the physical connection of the Local Injection Station active."

FEBEG wishes to stipulate that this should be an uninterrupted period of 3 years

8.2. "The Local Producer may not assign any of its rights and obligations under this Contract, in whole or in part, except with the prior written consent of the Manager. If the Manager grants such written consent to such transfer, in whole or in part, for a period less than the remaining term of the Contract, the Local Producer shall automatically reinstate its rights and obligations under this Contract upon expiry of such temporary transfer."

FEBEG would appreciate that such a transfer would be facilitated in the case of an Affiliated Company.

ENI

marketing@fluxys.com

From: Palmieri Viviana <Viviana.Palmieri2@eni.com>
Sent: 05 November 2024 16:27
To: marketing@fluxys.com
Cc: Terenzi Andrea; Colombo Chiara; DL Logistics Gas Portfolio Northern Europe
Subject: Eni response | Fluxys Belgium - Market Consultation 69
Attachments: 20241105 Fluxys BE Consultation 69_Response Eni.pdf

Non ricevi spesso messaggi di posta elettronica da viviana.palmieri2@eni.com. Scopri perché è importante

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Dear Sir, dear Madam,

Please find enclosed Eni S.p.A.'s reponse to Fluxys Belgium market consultation 69.
Our response is to be treated as non-confidential.

We would like to kindly ask you the acknowledge receipt of letter.

Best regards,
Viviana Palmieri

Viviana Palmieri
Northen Europe Gas capacity Booking and Release Manager
Eni | Natural Resources | Global Gas & LNG Portfolio
Rue Guimard, 1/A - Bruxelles
+32 474680399 (BE)
viviana.palmieri2@eni.com

Registered office,
Piazzale Enrico Mattei, 1
IT-00144 Rome
Tel. +39 06 59821
eni.com

Eni S.p.A. response

to Fluxys Belgium' Market Consultation 69 of 15th of October 2024,

Update for all regulatory documents and a new connection agreement Local Producer non-compatible gas

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Eni welcomes the opportunity to provide inputs to Fluxys Belgium' "Market Consultation 69 of 15th of October 2024, Update for all regulatory documents and a new connection agreement Local Producer non-compatible gas".

We kindly invite Fluxys Belgium to consider the following mentioned points.

1. **On the procedure in case one Network User decides to terminate the transport services towards this End User Domestic Exit Point**

A. In the case where multiple clients are associated with a single point (GEL), Eni suggests Fluxys could disconnect the supply for the client without a shipper, ensuring this action does not impact the other client(s). If necessary, the administrative configuration of the point should be modified, such as splitting it into two GEL's.
B. For cases involving multiple shippers for one client:
    1. as mentioned in the "Standard Connection Agreement - Client Final" §3.4.3, Fluxys is the shipper of last resort for 10+2 days agreement days for the portion allocated to the failing shipper. This should also be mentioned in the ACT.
    2. in case of service termination by one of the shippers, we suggest the same way of working, meaning Fluxys as shipper of last resort until the end of the impacted allocation agreement for the portion allocated to that particular shipper. If after this period there still is no solution and/or no new allocation agreement, Eni proposes that Fluxys is given the possibility to go close the valve after that period.
C. For the cases involving multiple shippers to multiple clients associated with a single point, Eni suggests Fluxys could disconnect the supply for the client without a shipper by splitting the point into two GELs (cf. point A). If not feasible or until the splitting process is completed, we suggest Fluxys to act as shipper of last resort until the end of the impacted allocation agreement for the portion allocated to that particular shipper (cf. point B.2).

In any case, Eni is of the opinion that the fact that a shipper which is party to an allocation agreement with multiple shippers and/or end users, and which is deciding to early terminate its transmission services with Fluxys towards the concerned end user(s), should by no means impact the other remaining shippers. The current text proposal "applying a proportional

Registered office,
Piazzale Enrico Mattei, 1
IT-00144 Rome
Tel. +39 06 59821
eni.com

allocation rule based on the subscribed capacity of the concerned remaining Network User(s) for the concerned End User Domestic Exit Point or Domestic Point for Injection, until a signed Allocation Agreement is received by the TSO" is just unfair, since the remaining Network User(s) have entered into a sales contract with the end user, and hence have taken positions not only on related volumes and capacity bookings, but also with regards to credit and financial risks. Putting the burden on the remaining Network User(s) leads to even more risks and could be detrimental to it/them, as it results in i) additional volumes, ii) capacity exceeding, and iii) additional credit/financial exposure, none of which are covered by the sales contract.