

Consultation Report 19

Version : 1.1

Status: Final

Classification: Public

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1. INTRODUCTION

From 7 March 2016 till 28 March 2016, Fluxys Belgium consulted the market on amendments of the transmission regulatory framework, i.e. the Access Code for Transmission (ACT) and the Transmission Programme (TP). The latest version of those documents has been approved by CREG on 17 December 2015, building upon previously approved documents. This consultation primarily aims at improving the service offering.

2. CONSULTATION PROCESS

Fluxys Belgium launched this market consultation by announcement of 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 duly registered market participants and associations. During the period from 7 March 2016 until 28 March 2016, 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 Commission for Electricity and Gas Regulation (hereinafter referred to as “CREG”), the new version of the Access Code for Transmission (ACT) and the Transmission Programme (TP).

3. OUTCOME OF CONSULTATION PROCESS

All comments received are listed and individually treated in the “Q&A” which makes part of the consultation report submitted to CREG – see appendices.

Feedback was received from 8 parties, including one representing organization, and mainly concerned:

- the PRISMA GT&C's;
- the continued support of AS2 as transmission protocol;
- several suggested technical corrections;
- capacity exceeding calculation;
- the daily and within-day capacity offering on Zeebrugge Beach remarks or suggestion concerning;
- topics outside the scope of the consultation:
 - o the Fix/Flex rate type;
 - o the reshuffling service;
 - o unmatched unbundled capacity;
 - o imbalance pooling.

The PRISMA GT&C's

One respondent welcomes the proposal to revert the reader to PRISMA's website. As PRISMA GT&C's change regularly, Fluxys Belgium avoids having to update the ACT too often.

Considering the comments received, the proposed changes are submitted as consulted upon.

The continued support of AS2 as transmission protocol

Three stakeholders appreciate the choice offered by Fluxys Belgium between the AS2 and AS4 transmission protocol. The optional use of the AS2 transmission protocol is essential for a smooth and painless transition towards AS4 as the deadline of 1 May is unattainable for several stakeholders. Therefore several market parties welcome the possibility to be able to continue using AS2 until at least 2018.

One respondent requested for the AS4 implementation deadline to be extended since they were not ready for the transition, which is the subject of the proposal made.

Considering the comments received: AS4 will be made available as from 1 May 2016 and Fluxys Belgium will continue to support AS2 until further notice.

Technical corrections

One stakeholder has no objections and agrees with the proposals. One respondent welcomes the written procedure for booking Wheeling and OCUC capacities.

One respondent questioned whether the removal of "allocated during Auctions on the Prisma platform" in section 4.1.6.1 of attachment B of the Access Code for Transmission changes the process of conversion of Entry and Exit capacity towards wheeling or OCUC. The new formulation also allows conversion of newly bought capacities on the EDP, as the previous text unnecessarily restricted conversion services booked on PRISMA only.

One stakeholder noted that Hilvarenbeek and Poppel IP's are sometimes mentioned with or without "L" and requested an unambiguous denomination of those points.

One stakeholder requested some clarification on the modalities of reserving capacities using the forms 1.1 and 1.2 of attachment G of the Access code for transmission. The modalities for using these forms can be found in attachment B of the Access code for transmission.

Considering the comments received:

- "Hilvarenbeek" and "Poppel" will be replaced by "Hilvarenbeek L" and "Poppel L" in the Access Code for Transmission and the Transmission Program, consistent with the Blaregnies L naming convention.

Capacity exceeding

Two stakeholders consider the existing occurrence factor in the calculation of the incentive for a capacity exceeding as too complex. They propose to replace this by a penalty 10 times the seasonal factor applied to the highest hourly exceeding of each particular day, i.e. two times the fee for the daily product (for end-user domestic exit points). This proposal penalizes each capacity exceeding in the same way, disregarding the number of exceedings in the past. The main objectives of the current formulation with occurrence factor however is to limit the incentive in case of a rare "accidental" capacity exceeding, avoid "structural" capacity exceedings and clearly distinguish capacity exceedings from short term capacity booking. The occurrence factor in the current calculation of the incentive for capacity exceedings meets these objectives by taking into account the history of past capacity exceedings.

Fluxys Belgium is not considering changing the calculation of the incentives for capacity exceeding. The current formula proved so far achieving its objective of providing an adequate incentive for Grid Users to book the expected peak offtake in line with COC II Art.83 and Art. 115.

The daily and within-day capacity offering on Zeebrugge Beach

Two stakeholders accept the move back of Day-ahead capacity subscription on Zeebrugge Beach to the Fluxys Belgium EDP platform as a pragmatic and temporary solution. However a solution must be found with regards to the subscription of within-day capacities on the Zeebrugge beach interconnection point.

The move back to the previous booking methods and deadlines for Day-ahead capacity subscription of capacities on the Zeebrugge Beach point on 30 November 2015 was the consequence of the

following reasons. Firstly some market players prefer to close the day-ahead deals for capacities on the Zeebrugge Beach point earlier by means of direct bookings through the Electronic Booking System of Fluxys Belgium instead of buying the capacity via auction on PRISMA. The second reason is related to the physical character of the Zeebrugge Beach hub, where the nominations of grid users need to be balanced at all times. The deadline on PRISMA for the first within-day capacity product (being a 24H balance-of-day product hereby equivalent to a “second chance” day-ahead booking) means that the confirmation of day-ahead deals on the Zeebrugge Beach Hub only happens after such first within-day auction at 3 a.m. (far outside regular business hours).

Fluxys Belgium will re-evaluate at a later stage in 2016 the capacity offer on Zeebrugge beach, including day-ahead and within-day services, taking both capacity and trading services performance into account.

Remarks or suggestions concerning topics not under consultation

The consultation was used by four stakeholders as an opportunity to give their feedback on other topics not under consultation:

- Application of a Fix/Flex rate type principle to the Medium pressure (MP) tariff
- Organization of a new reshuffling window
- Offering of OCUC's on a daily basis
- Possibility to pool portfolio imbalances
- Development of a "Capacity conversion mechanism" (as described in the "Recommendation paper" published by ENTSOG on 31 July 2015) in order to reduce the risk of unmatched unbundled capacities on border points

We thank the stakeholders for these remarks and suggestions. Since these topics are out of the scope of the present consultation, they are not discussed in this specific consultation report. They can nevertheless be treated within the scope of Fluxys Belgium's regular contacts with the market players even if should be noted that a number of these points were already addressed during previous consultations.

4. APPENDICES

4.1 *Appendix 1: Market consultation – public material*

4.2 *Appendix 1: Market consultation – confidential material*