



# Consultation 55 report



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## 1 Introduction

From the 22<sup>nd</sup> April 2022 until the 12<sup>th</sup> May 2022, Fluxys LNG consulted the market with regards to:

- increasing the residual storage capacity and extending its booking period;
- adding measures during threat to heel situations;
- increasing the amount truck loading slots that can be offered;
- modifying the invoicing procedure for truck loading slots;
- revising the Indicative Berthing Schedule;
- commercializing non-used LNG services;
- allocation of daily storage and daily send-out on a FCFS basis and
- several technical improvements.

## 2 Consultation process

Fluxys LNG launched this market consultation by publishing the proposed changes in the regulated documents - 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.

During the period from the 22<sup>nd</sup> April 2022 until the 12<sup>th</sup> May 2022, stakeholders were invited to submit their written feedback and, if needed, seek additional information through bilateral contacts with Fluxys LNG.

Taking into account the different comments received, Fluxys LNG submits for approval to the CREG the so amended version of the LNG Access Code, LNG Terminalling programme, LTL, LNG Access Code for Truck Loading.

## 3 Outcome of consultation process

All comments received are listed in the consultation report submitted to CREG – see appendices. Feedback was received from 4 Terminal Users. Two feedbacks were set to be treated as confidential. The received feedbacks are only related to the changes in the regulated documents.

### **Allocation of short term capacities**

Respondents in general welcomed the effort Fluxys LNG is putting in increasing the availability of slots to the market. One market participant wanted to emphasize that additional slots becoming available after a revision of the IBS is only possible because of the willingness from long term shippers to revise the IBS. Hence, they are of the opinion that long term shippers should have a pre-emption right on all slots becoming available due to such a revision of the IBS instead of only 50%. On top of that, they don't agree with the 'round down' principle. Because, in the case only one slot becomes available after revision of IBS, long term shippers could risk not being allocated any slot at all. Fluxys LNG acknowledges

that the creation of additional slots will be reinforced by the collaboration of the Long Term Shippers and their readiness to reduce their flexibility. However, Fluxys LNG estimated that ensuring that a pre-emption right on 50% of the slots should incentivize the Long Term Shippers to collaborate to the revision of the IBS, certainly at a time where other shippers will be actively looking for LNG slots. In order to further incentivize Long Term Shippers, Fluxys LNG proposes to also review the rounding rule of the additional slots that can be pre-empted and to use a 'rounding up' rule instead of a 'rounding down' one. Additionally, Fluxys LNG proposes to limit the IBS revisions to maximum 3 revisions per year. This will limit the risk that Long Term Shippers make an effort and reduce their flexibility without benefiting from the possibility to buy extra slots.

The same market participant also finds it unfair that no slots would be assigned to long term shippers in case more than one long term shipper is requesting the same slot. Fluxys LNG estimates that the repartition of the pre-empted slots should require a consensus among the Long Term Shippers, as is the case with the IBS and RBS processes. Fluxys LNG is of the opinion that the process proposed in the consultation will incentivize the Long Term Shippers to find a consensus on the repartition of the additional slots.

Finally, they stressed that 5 business days to reach an agreement with other long term shippers on a certain slot too low and suggested 10 business days as a more reasonable timeframe. Therefore Fluxys LNG decided to extend the timeframe for notification to 10 business days.

Another market participant suggests that the percentage of additional slots that become available after the revision of the IBS and are offered to Long Term Shippers is reduced to a quarter of the available slots (25% instead of 50%) to increase the diversity of supply and maximise the use of the terminal. Fluxys LNG wants to emphasize that the creation of additional slots means that long term shippers will have to reduce their contractual flexibility in scheduling the arrival of LNG cargos. The pre-emption right on 50% of the slots was designed to incentivize long term shippers to adapt their schedule and to create more slot opportunities for the whole market.

### **Revision of IBS**

For one market participant it is unclear how Fluxys will determine when the "market demand" is high enough for deciding to revise the IBS. Fluxys LNG wants to highlight that the revision of the IBS should materialize when Fluxys LNG sees congestion on slot demand, for example if the cleared price of an auction for a spot slot is of the order of or more than twice the regulated tariff or if there is a high utilization rate of the terminal thus reducing the offer on the secondary market.

## **FCFS allocation procedure**

One market participant asked for some clarification concerning the time taken into consideration to allocate the 'winner' of a FCFS slot. Fluxys LNG wants to stress that the idea behind the FCFS procedure is to offer services to the market that have not been completely sold after an allocation window. Given the high market interest (with high competition between market players as a result), Fluxys LNG now uses an auction window to allocate the additional capacity. When offering services FCFS on its website, Fluxys LNG will specify that the time taken into account is the time at which the request reaches Fluxys' servers.

Finally, a market participant would appreciate if the results of the allocation becoming public - although in an anonymised form - to know the individual ranking of the participant and the submission time of all bids. Fluxys LNG wants to emphasize that requests about the conformity of allocation procedures can always be sent to CREG which will analyse the allocation process and provide the needed feedback to any terminal user requesting it.

## **4 Appendices**

### **4.1 *Appendix I: Market consultation – public material***

### **4.2 *Appendix II : Market consultation – confidential material***



shaping together  
a bright energy  
future

#### **4.1 Appendix I: Market consultation - public material**

- a. E-mail: invitation to submit comments
- b. List of documents in consultation
- c. Questions & Answers
- d. Printed copy of written comments

a. E-mail: invitation to submit comments



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## **Fluxys LNG: Market Consultation 55 Maximize utilization of LNG services, modification of truckloading invoicing and response to threat to heel situations**

Dear customer,

The market consultation aiming at maximizing the use of LNG services at our LNG terminal, simplifying the invoicing of truck loading operations and clarifying the response of Terminal Operator in case of threat to heel will **take place between 22<sup>nd</sup> April and 12<sup>th</sup> May 2022**.

In a continuous effort to further improve its service offering, Fluxys LNG is proposing adjustments to its LNG services with a focus on:

- increasing the residual storage capacity and extending its booking period,
- adding measures during threat to heel situations,
- increasing the amount truck loading slots that can be offered
- modifying the invoicing procedure for truck loading slots,
- revising the Indicative Berthing Schedule,
- commercializing non-used LNG services,
- allocation of daily storage and daily send-out on an FCFS basis and
- several technical improvements.

More information available in the enclosed [2-pages note](#) or on Fluxys' [website](#).

Please send us your written comments at [marketing@fluxys.com](mailto:marketing@fluxys.com) by **Thursday 12 May 2022** close of business day. Do not forget to mention whether the content is to be treated as confidential or not. Unless otherwise specified, all comments will be treated as non-confidential.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Guéden".

A handwritten signature in blue ink, appearing to read "Houaol".

b. List of documents in consultation

The documents are available on our website: <https://www.fluxys.com/en/products-services/empowering-you/customer-interactions/consultations---zeebrugge-lng>

Company: [Zeebrugge LNG](#) Activity: [LNG Terminalling](#)

# Market Consultations - Zeebrugge LNG

Fluxys > Products & Services > Empowering you > Customer Interactions > Market Consultations - Zeebrugge LNG

Current Market Consultation

Archive of Market Consultations

Stay informed about our latest market consultation or browse through the archive for past consultations.



## Current Market Consultation

### Fluxys LNG Market Consultation 55: Maximize utilization of LNG services, modification of truckloading invoicing and response to threat to heel situations

The market consultation aiming at maximizing the use of LNG services at our LNG terminal, simplifying the invoicing of truck loading operations and clarifying the response of Terminal Operator in case of threat to heel will take place between 22<sup>nd</sup> April and 12<sup>th</sup> May 2022.

In a continuous effort to further improve its service offering, Fluxys LNG is proposing adjustments to its LNG services with a focus on:

- increasing the residual storage capacity and extending its booking period,
- adding measures during threat to heel situations,
- increasing the amount truck loading slots that can be offered,
- modifying the invoicing procedure for truck loading slots,
- revising the Indicative Berthing Schedule,
- commercializing non-used LNG services,
- allocation of daily storage and daily send-out on an FCFS basis and
- several technical improvements.

More information available in the [2-pages note](#) about the consultation and in the regulated documents.

### Documents in consultation (with track changes)

[LNG Access Code](#)

[LNG Access Code for Truck Loading](#)

[LNG Terminalling Programme](#)

[LNG Truck Loading Agreement - LTL](#)

## C. Questions & Answer

Questions and Answers					
#	From	Confidential	Topic	Questions / Comments by Stakeholders	Answers / Comments by Fluxys Belgium
1	Eni	No	Allocation of Short Term Capacities	Eni wants to emphasise the fact that any additional Slots that becomes available after a revision of the IBS will be made possible thanks to Long Term Shippers willing to revise the IBS and hence will have less flexibility. As a logical result and as an incentive towards Long Term Shippers to revise the IBS, Eni is of the opinion that Long Term Shippers should have a pre-emption right to buy all of the Slots made available under such a mechanism. Only in case no Long Term Shipper requests for such additional Slots should they be offered to any other Shipper.	Fluxys LNG acknowledges that the creation of additional slots will be reinforced by the collaboration of the Long Term Shippers and their readiness to reduce their flexibility. However, Fluxys LNG estimated that ensuring that a pre-emption right on 50% of the slots should incentivize the Long Term Shippers to collaborate to the revision of the IBS, certainly at a time where other shippers will be actively looking for LNG slots. In order to further incentivize Long Term Shippers, Fluxys LNG proposes to also review the rounding rule of the additional slots that can be pre-empted and to use a 'rounding up' rule instead of a 'rounding down' one.
2	Eni	No	Allocation of Short Term Capacities	Should a share lower than 100% be allocated to Long Term Shipper, Eni does not agree on the round down concept for the allocation of the newly created Slots. As a matter of fact, in the worst case it could result in a single additional Slot at each revision of the IBS, e.g. when multiple revisions of the IBS are requested throughout a year by the Terminal Operator, and as a consequence nothing is allocated to Long Term Shippers.	The revision of the IBS should remain an exception lead by market demand and Fluxys LNG proposes to limit the IBS revisions to maximum 3 revisions per year. This will limit the risk that Long Term Shippers make an effort and reduce their flexibility without benefiting from the possibility to buy extra slots. Furthermore, Fluxys LNG proposes to review the rounding rule of the additional slots and to use a 'rounding up' rule instead of a 'rounding down' one.

3	Eni	No	Allocation of Short Term Capacities	Eni finds it highly unfair and unacceptable that no Slots would be assigned to Long Term Shippers in case more than one Long Term Shipper is requesting the same Slot. Hence, Eni deems it reasonable not to allocate only that specific Slot, while maintaining the allocation of the other requested Slots to Long Term Shippers created under the revision of the IBS.	Like the IBS and RBS processes request the collaboration of Long Term Shippers, Fluxys LNG estimates that the repartition of the pre-empted slots should require a consensus among the Long Term Shippers. Fluxys LNG is of the opinion that the process proposed in the consultation will incentivize the Long Term Shippers to find a consensus on the repartition of the additional slots.
4	Eni	No	Allocation of Short Term Capacities	Allowing only 5 Business Days to reach an agreement among Long Term Shippers is extremely challenging. Considering also the proposed consequence of non-agreement among the Long Term Shipper that implies the loss of all the Slots, Eni suggests 10 Business Days as a more reasonable timeframe for Long Term Shippers to notify the Terminal Operator on which Slots they want to subscribe for.	The timeframe for the notification will be extended to 10 business days.
5	Eni	No	Revision of the IBS	ENI believes that a revision of the IBS should be limited to once a year so as to allow sufficient flexibility and visibility for Long Term Shippers.	The revision of the IBS should remain an exception lead by market demand and Fluxys LNG proposes to limit the IBS revisions to maximum 3 revisions per year.
6	Vitol	No	Non-use of LNG services	Vitol appreciates Fluxys LNG's efforts to make as much capacity as possible to market participants and therefore welcome the proposal about commercialising non-used LNG services.	/

7	Vitol	No	FCFS allocation procedure	<p>The Terminal code identifies as winner the first bid reaching Fluxys, however it does not specify whether the time taken into consideration is the one related to the moment in which the bid hits Fluxys' servers or Fluxys' mailbox. Obviously, the first option would be more objective as the bidders has limited control on the processes allowing the message to move from the servers to the mailbox. Vitol would therefore appreciate for this to be clearly spelled out in the Terminal code.</p>	<p>The idea behind the FCFS procedure is to offer services to the market that have not been completely sold after an allocation window. This shouldn't lead to competition between terminal users. Given the high market interest and resulting competition between market players, Fluxys LNG now uses an auction window to allocate the additional capacity. When offering services FCFS on its website, Fluxys LNG will specify that the time taken into account is the time at which the request reaches Fluxys' servers.</p>
8	Vitol	No	FCFS allocation procedure	<p>Currently the only information about the outcome of the allocation procedure received by participants is whether they have been selected or not. While we appreciate that for confidentiality reasons the full disclosure of the results may be complex, we believe the market would greatly benefit from the results of the allocation becoming public, although in an anonymised form. Knowing i) the individual ranking of the participant and ii) the submission timing of all bids under no-name basis would allow market players to know how much their technical capabilities should be improved to succeed in a subsequent opportunity.</p>	<p>Requests about the conformity of allocation procedures can always be sent to CREG which will analyze the allocation process and provide the needed feedback to any terminal user requesting it.</p>

d. Printed copy of written comments



All reactions			
Company	First Name	Last Name	Confidential
Eni	Hoi Yu	To	No
Vitol	Davide	Rubini	No



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

## ENI SpA RESPONSE

### to Fluxys' market consultation 55 of 22 April 2022:

#### Maximize utilization of LNG services, modification of truckloading invoicing and response to threat to heel situations

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Eni welcomes the opportunity to provide inputs to Fluxys' market consultation 55: Maximize utilization of LNG services, modification of truckloading invoicing and response to threat to heel situations.

We would like to provide our view on the Allocation of Short Term Capacities under Art. 2.2.3.2 (i).

We understand that Slots may become available after a revision of the IBS and that they will be allocated as follows:

- a. Long Term Shippers will have a pre-emption right to purchase half of the Slots (rounded down) at the Regulated Tariff.
- b. The other half of the Slots and, if applicable, the remaining Slots after the allocation of Slots to Long Term Shippers will be offered to any Shipper via an Auction Window or on FCFS basis.

As a general comment, we want to emphasise the fact that any additional Slots that become available after a revision of the IBS will be made possible thanks to Long Term Shippers willing to revise the IBS and hence will have less flexibility. As a logical result and as an incentive towards Long Term Shippers to revise the IBS, we are of the opinion that Long Term Shippers should have a pre-emption right to buy all of the Slots made available under such a mechanism. Only in case no Long Term Shipper requests for such additional Slots should they be offered to any other Shipper.

Additionally, we believe that a revision of the IBS should be limited to once a year so as to allow sufficient flexibility and visibility for Long Term Shippers.

Notwithstanding the above, should a share lower than 100% be allocated to Long Term Shipper, we do not agree on the round down concept for the allocation of the newly created Slots. As a matter of fact, in the worst case it could result in a single additional Slot at each revision of the IBS, e.g. when multiple revisions of the IBS are requested throughout a year by the Terminal Operator, and as a consequence nothing is allocated to Long Term Shippers.



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eni.com

Besides, we find it highly unfair and unacceptable that no Slots would be assigned to Long Term Shippers in case more than one Long Term Shipper is requesting the same Slot. Hence, we deem it reasonable not to allocate only that specific Slot, while maintaining the allocation of the other requested Slots to Long Term Shippers created under the revision of the IBS.

Moreover, allowing only 5 Business Days to reach an agreement among Long Term Shippers is extremely challenging. Considering also the proposed consequence of non-agreement among the Long Term Shipper that implies the loss of all the Slots, we suggest 10 Business Days as a more reasonable timeframe for Long Term Shippers to notify the Terminal Operator on which Slots they want to subscribe for.

To conclude, we kindly invite Fluxys to reconsider its position on the above-mentioned points and hope to see an adjusted final version.

**From:** Davide Rubini <dwr@Vitol.com>  
**Sent:** 03 May 2022 10:26  
**To:** Bochkova Svetlana <svetlana.bochkova@fluxys.com>; info.lng@fluxys.com  
**Subject:** Fluxys LNG Market Consultation 55 - Vitol response

Dear Svetlana,

As agreed on the phone please consider this message as a formal response to Consultation 55.

We would limit ourselves to appreciating your efforts to make as much capacity as possible to market participants and therefore welcome the proposal about commercialising non-used LNG services.

In parallel, although not in scope of the consultation we would like to raise an extremely important matter to us.

We believe that rules around the regasification slots FCFS allocation procedure may benefit from:

- Further specification of the selection criteria: the Terminal code identifies as winner the first bid reaching Fluxys, however it does not specify whether the time taken into consideration is the one related to the moment in which the bid hits Fluxys' servers or Fluxys' mailbox. Obviously, the first option would be more objective as the bidders has limited control on the processes allowing the message to move from the servers to the mailbox. We would therefore appreciate for this to be clearly spelled out in the Terminal code;
- Further transparency when it comes to the outcome of the allocation procedure: currently the only information about the outcome of the allocation procedure received by participants is whether they have been selected or not. While we appreciate that for confidentiality reasons the full disclosure of the results may be complex, we believe the market would greatly benefit from the results of the allocation becoming public, although in an anonymised form. Knowing i) the individual ranking of the participant and ii) the submission timing of all bids under no-name basis would allow market players to know how much their technical capabilities should be improved to succeed in a subsequent opportunity.

Hoping that our comments could be taken on board, we remain available for any discussion on the above and/or other matters.

Best

**Davide Rubini**  
Head of Regulatory Affairs. Gas Power and Environmental Products EMEA

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Vitol  
Nova South, 4th Floor, 160 Victoria Street, United Kingdom  
Nova South, 4th Floor  
E: [dwr@vitol.com](mailto:dwr@vitol.com)

## **4.2 Appendix II: Market consultation - confidential material**

a. Questions & Answers

b. Printed copy of written comments

## a. Questions & Answers

Questions and Answers					
#	From	Confidential	Topic	Questions / Comments by Stakeholders	Answers / Comments by Fluxys Belgium
1	GM&T Limited UK	Yes	General remark	GM&T welcomes efforts Fluxys LNG is putting in increasing availability of slots to the market and enabling market dynamics to play a better role in efficiently manage LNG supply. In principle GM&T supports the proposed initiative, provided the amendments benefit the wider shipper community as a whole.	/
2	GM&T Limited UK	Yes	Allocation of Short Term Capacities	GM&T is unsure giving pre-empting rights to long term shippers follows a sound competitive approach to capacity allocation. GM&T understands the LT Shippers' consent might be necessary to enable Fluxys to allocate additional slots. However, GM&T wonders if the level of priority (50% of available slots) given to LT shippers is appropriate. GM&T considers more adequate to provide the additional available slots to the wider shipper community so to differentiate the opportunities for LNG supply opportunities. As such, GM&T suggests that the percentage of additional slots that become available after the revision of the IBS and are offered to Long Term Shippers is reduced to a quarter of the available slots (25% instead of 50%). Offering a higher number of slots into the open market will increase diversity of supply and maximise use of the terminal.	The creation of additional slots means that Long Term Shippers will have to reduce their contractual flexibility in scheduling the arrival of LNG cargos. The pre-emption right on 50% of the slots was designed to incentivize Long Term Shippers to adapt their schedule and to create more slot opportunities for the whole market.

3	GM&T Limited UK	Yes	Revision of the IBS	it is unclear how Fluxys will determine "market demand". GM&T deems appropriate to clarify how the "market demand" will be measured pursuant to clause 3.1.1.1.5 and if such "market demand" consist in the aggregated amount of slots requested by Shippers participating in the IBS process. This would need clarification in order to give market participants a clearer indication about the possibility of IBS schedule revision.	The revision of the IBS should materialize when Fluxys LNG sees congestion on slot demand, for example if the cleared price of a auction for a spot slot is of the order of or more than twice the regulated tariff or if there is a high utilization rate of the terminal thus reducing the offer on the secondary market.
4	Engie	Yes	General remark	On Engie side, we have no specific comments as from our point of view the proposed changes are going on the right direction.	/



b. Printed copy of written comments -  
Confidential

All reactions			
Company	First Name	Last Name	Confidential
GM&T Limited UK	Samuele	Repetto	Yes
Engie	Emilie	Taquet	Yes

GM&T Limited UK  
20 Triton Street  
London  
NE1 3BF

12 May 2022

Dear Sir/Madam,

**RE: Fluxys Market Consultation 55: Maximize utilization of LNG services, modification of truck loading invoicing and response to threat to heel situations**

Thank you for the opportunity to respond to the consultation covering the adjustments of Fluxys LNG services. GM&T Limited UK would like to use this opportunity to outline our observations on the proposed changes.

**General comments**

GM&T welcomes efforts Fluxys LNG is putting in increasing availability of slots to the market and enabling market dynamics to play a better role in efficiently manage LNG supply. In principle GM&T supports the proposed initiative, provided the amendments benefit the wider shipper community as a whole.

**Views on specific points:**

- 2.2.3 (i) Slots becoming available after a revision of the IBS

Fluxys proposes a mechanism by which long term shippers are given priority in the allocation of any additional slots that become available after the revision of the IBS.

Comment: We are unsure giving pre-empting rights to long term shippers follows a sound competitive approach to capacity allocation. We understand the LT Shippers' consent might be necessary to enable Fluxys to allocate additional slots. However, we wonder if the level of priority (50% of available slots) given to LT shippers is appropriate.

We consider more adequate to provide the additional available slots to the wider shipper community so to differentiate the opportunities for LNG supply opportunities. As such, we suggest that the percentage of additional slots that become available after the revision of the IBS and are offered to Long Term Shippers is reduced to a quarter of the available slots (25% instead of 50%). Offering a higher number of slots into the open market will increase diversity of supply and maximise use of the terminal.

- 3.1.1.5 Establishing the IBS

Fluxys proposes that in case *market demand* for slots exceeds the number of slots scheduled in the 'Indicative Berthing Schedule' (IBS), Fluxys proposes to have the possibility to revise the scheduled slots.

Comment: it is unclear how Fluxys will determine "market demand". We deem appropriate to clarify how the "market demand" will be measured pursuant to clause 3.1.1.5 and if such "market demand" consist in the aggregated amount of slots requested by Shippers participating in the IBS process. This would need clarification in order to give market participants a clearer indication about the possibility of IBS schedule revision.

We hope our comments will be taken in consideration and we would be happy to engage in further bilateral discussion on any aspects of our response. Please do not hesitate to contact us if you have any queries.

Please consider the response confidential.

Yours sincerely,

Sam Repetto

**Samuele Repetto** | Regulatory Affairs Advisor  
**GM&T Limited UK**  
20 Triton Street | London NW1 3BF  
Tel: +44 2077560326 | Mob: +44 0 7384249706

**From:** emilie.taquet@engie.com <emilie.taquet@engie.com>

**Sent:** 12 May 2022 14:26

**To:** marketing@fluxys.com

**Subject:** RE: Fluxys LNG: Market Consultation 55: Maximize utilization of LNG services, modification of truckloading invoicing and response to threat to heel situations

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The content of this email is to be treated as confidential.

On Engie side, we have no specific comments as from our point of view the proposed changes are going on the right direction.

Regards,

Emilie

