Consultation 63 report



1. Introduction

In a continuous effort to further improve its service offering for terminal users, Fluxys LNG consulted the market from 19th April 2023 to 9th May 2023 on the following changes: (i) modification of truck loading services following the construction of new truck loading bays, (ii) new tariffs for LNG truck services, (iii) minor changes to the Access Code for Truck Loading, (iv) minor changes to the LNG Access Code, and various minor editorial changes.

2. Consultation process

Fluxys LNG launched this market consultation by publishing the proposed changes in the regulated documents on Fluxys 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 April 19th to May 9th 2023, stakeholders were invited to submit their written feedback and, if needed, to seek additional information through bilateral contact with Fluxys LNG.

3. Outcome of consultation process

All comments received are listed in the appendices of the present report. Feedback was received from 2 Terminal Users and is summarised below.

i. Modifications of truck loading services

Overall the market does not oppose the proposed changes over truck loading services. Nonetheless, two clients made suggestions to further improve the offering.

One respondent requested that Fluxys LNG monitors potential hoarding situations arising from one party scheduling slots with no intention of using them. It is Fluxys LNG's opinion that several measures (e.g. the congestion freeze period) are already implemented to decrease congestion and hoarding resulting thereof. A new measure is also introduced in the present consultation, regarding short term booking of unused capacity. This measure, in addition to additional capacity becoming available with the new bays, should further reduce the problem. In any case, Fluxys LNG will continue to monitor the situation and investigate additional measures if necessary.

A suggestion is also made regarding the introduction of a new booking mechanism of truck loading capacity which would allow a client to book an entire truck loading bay for a specific duration. Fluxys LNG will investigate commercial, operational and regulatory implications of such a change.

ii. New tariffs for LNG truck services

Overall the market does not oppose the proposed changes over tariffs for truck loading services, although one respondent does not support the removal of 10% discount during subscription windows. In this regard, it is Fluxys LNG's opinion that such a discount is no longer needed to incentivize clients to book capacity on a longer term. Indeed, the market is



already demonstrating consistent interest for the service, and Fluxys LNG already incorporated an even greater discount into the new base tariff for a slot.

iii. Minor changes to the Access Code for Truck Loading

No formal comment was made by respondents.

iv. Minor changes to the LNG Access Code

No formal comment was made by respondents.

Based on the market feedback Fluxys LNG does not see the need to further adapt the regulated documents, which are therefore submitted to the CREG for approval.

4. Appendices

4.1. E-mail invite for consultation

Click <u>here</u> if you are having trouble viewing this message.



FLUXYS LNG - Market Consultation 63: New model for LNG truck loading and changes to LNG Access Codes

Dear,

Participate in our market consultation that will take place from **19 April 2023 to 9 May 2023.** The consultation relates to **changes in truck loading services and tariffs to reflect the construction of new loading bays**. Minor changes are also introduced in LNG Access Code and LNG Access Code for Truck Loading.

The following document summarises the proposed changes: <u>Two page note</u>

Documents in consultation (with track changes)

- LNG Access Code
- LNG Access Code for Truck Loading
- LNG Terminalling Programme
- LNG Truck Loading Agreement (LTL)
- <u>LNG Tariffs consultation document</u>

You are kindly invited to send your written comments to <u>marketing@fluxys.com</u> by **9 May 2023 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.

Yours sincerely,

The Commercial Team

4.2. List of documents in consultation

The documents are available in our website: <u>https://www.fluxys.com/en/products-</u> services/empowering-you/customer-interactions/consultations---zeebrugge-lng/fluxysbelgium-market-consultation-63

Fluxys LNG - Market Consultation 63: New model for LNG truck loading and changes in the LNG Access Codes

COMPANY

Zeebrugge LNG

MOLECULE

Natural gas and biomethane

ACTIVITY

LNG Terminalling

19/04/2023

News

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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.



4.3. Questions and Answers – Public

	Questions and Answers						
#	From	Confidential?	Торіс	Questions / Comments by Stakeholders	Answers / Comments by Fluxys LNG		
1.1	ENI	No	General	We welcome the entering into service of the four additional truck loading bays and the proposed new model for self-loading by LNG truck drivers, after they have accomplished a training to obtain a Fluxys authorisation to do so. We are supportive of a reduced tariff for the self-loading, as well as maintaining the tariff for assisted loading at the current level			
1.2	ENI	No	Tariff	However, we do not support the removal of the 10% discount on bookings at annual subscription windows. In our opinion, maintaining the 10% discount is an incentive to shippers to book and commit to pay well in advance, and thereby providing a guarantee of revenues for Fluxys. Given the fact that the discount is not a new element, and considering the positive direction of the regulatory account for LNG at the end of 2021, we strongly recommend Fluxys to consider maintaining this discount.	Fluxys LNG introduced the 10% discount on bookings at annual subscription windows in order to stimulate the uptake of truck loading activities at the terminal. Considering the current market conditions, and taking into account the reduction to the base tariff for a slot, Fluxys LNG is of the opinion that the discount is no longer needed nor justified.		
1.3	ENI	No	Hoarding	On another note, we would like to ask Fluxys to monitor any "hoarding" activity at the truck loading station in order to avoid that some parties book a large number of loading slots during regular working hours but do not always use them or release them in time for other shippers to use them, as the "penalty" is just the payment of the tariff, without any other sanction. This could render the truck loading terminal at Zeebrugge less attractive to interested international parties as compared to other terminals in the neighbouring countries.	This point is noted and taken seriously by Fluxys LNG who already implemented several measures in order to mitigate congestion and prevent hoarding, for example the congestion freeze period and the reimbursement of released slots. The new measure allowing the booking of additional slots during the congestion freeze period should further incentivize users to release unused slots. Fluxys LNG is also of the opinion that the future capacity increase will help decrease congestion and hence the impact of hoarding for the market. Fluxys LNG will monitor the effects of new measures and, if necessary, investigate additional options.		
2.1	GasCom	No	Scheduling	In the course of the change to a self-loading service, we would also like to ask for a change in slot time management. Could you change from an hourly slot booking to a monthly or weekly loading bay booking for major customers	Fluxys LNG will investigate regulatory, commercial and operational implications of this new booking mechanism		

4.4. Copy of written comments – Public

All reactions						
Company	First Name	Last Name	Confidential			
ENI SpA	Hoi Yu	То	No			
GasCom	Tanja	Schmitz	No			



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ENI SpA RESPONSE to Fluxys LNG Market Consultation 63 of 19 April 2023: New model for LNG truck loading and changes to LNG Access Codes

Eni thanks Fluxys LNG for the opportunity to react to consultation 63 regarding a "new model for LNG truck loading and changes to LNG Access Codes".

We welcome the entering into service of the four additional truck loading bays and the proposed new model for self-loading by LNG truck drivers, after they have accomplished a training to obtain a Fluxys authorisation to do so. We are supportive of a reduced tariff for the self-loading, as well as maintaining the tariff for assisted loading at the current level.

However, we do not support the removal of the 10% discount on bookings at annual subscription windows. In our opinion, maintaining the 10% discount is an incentive to shippers to book and commit to pay well in advance, and thereby providing a guarantee of revenues for Fluxys. Given the fact that the discount is not a new element, and considering the positive direction of the regulatory account for LNG at the end of 2021, we strongly recommend Fluxys to consider maintaining this discount.

On another note, we would like to ask Fluxys to monitor any "hoarding" activity at the truck loading station in order to avoid that some parties book a large number of loading slots during regular working hours but do not always use them or release them in time for other shippers to use them, as the "penalty" is just the payment of the tariff, without any other sanction. This could render the truck loading terminal at Zeebrugge less attractive to interested international parties as compared to other terminals in the neighbouring countries.

From:	Tanja Schmitz - GasCom Equipment GmbH <t.schmitz@gascom.info></t.schmitz@gascom.info>
Sent:	09 May 2023 09:59
To:	marketing@fluxys.com
Subject:	Fluxys LNG Market Consultation 63: New model for LNG truck loading and changes to
	LNG Access Codes

You don't often get email from t.schmitz@gascom.info. Learn why this is important

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

Dear Ladies and Gentlemen,

thank you for informing us about the new model of LNG truck loadings.

In the course of the change to a self-loading service, we would also like to ask for a change in slot time management. Could you change from an hourly slot booking to a monthly or weekly loading bay booking for major customers:

With 6000 slots in 2024 GasCom will occupy more than the capacity of one loading bay (5000 slots). We would like to take over the slot times management, currently managed by Fluxys, into self-management. We wish to freely choose the slot times of one physical loading bay without further coordination with Fluxys or others. This could be done, for example, through a monthly or weekly allocation of one physical loading bay by Fluxys. 5000 per year = 417 slots per month = 96 Slots per week = 100% utilisation of a loading bay by a single major customer (GasCom).

By reducing the coordination effort with Fluxys and others, the capacity of a loading bay can be additionally increased so that GasCom probably can also carry out the remaining 6000 - 5000 = 1000 slots 2024 at the one allocated loading bay. Other market participants benefit. Possible start-up problems with the introduction of the self-loading service can be better compensated. In addition, the coordination effort for Fluxys is reduced.

I look forward to your feedback.

Kind regards

i.A. Tanja Schmitz Referentin der Geschäftsführung

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