



# Consultation 68: Report



## 1 Introduction

From 02 April to 23 April 2024 included, Fluxys LNG consulted the market on several modifications to the regulatory documents.

The proposed modifications to the regulatory documents aim at:

- i. Increasing the yearly slots capacity at the Zeebrugge LNG Terminal from 110 to 134 as from April 2027;
- ii. Adapting the allocation mechanisms for auction windows and subscription windows;
- iii. Introducing mitigating measures in case of threat to heel situations.

## 2 Consultation process

Fluxys LNG launched this market consultation by publishing the proposed adapted documents on its website - at the usual location for such consultations, supported by an announcement on its homepage -, via direct e-mailing to all registered market participants and associations. From 02 April to 23 April 2024 (included), 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 Terminalling Access Code and LNG Terminalling Programme.

## 3 Outcome of consultation process

Fluxys LNG received feedback from one party. Their comments are treated in the below section.

### ***Increasing the yearly slots capacity at Zeebrugge LNG Terminal from 110 to 134 as from April 2027***

Fluxys LNG did not receive any feedback on this proposed change.

### ***Adapting the allocation mechanisms for auction windows and subscription windows***

In case a combination of a subscription window and an auction window is used to allocate services, one respondent proposes to use an ascending clock auction with multiple rounds rather than an auction form. Fluxys LNG agrees that both the ascending clock as the auction form are two well-functioning mechanisms that have both been used in the past. After a careful analysis, Fluxys LNG has finally decided to use the auction form as a last-resort allocation criterion. Fluxys LNG would like to stress that this auction form will only be used in case of (i) an over-subscription and (ii) when a full allocation of the services can't be achieved using the other allocation criteria (duration, pro-rata and start date). In this very specific

case, an Auction Form offers a very simple, quick and easy-to-use solution for participating shippers. Some market players which are likely to participate in future Subscription Windows are indeed not familiar with the required set-up and functioning of Ascending Clock Auctions.

In case of an over-subscription in a subscription window, the same respondent proposes to use the start date as allocation criterion before applying a pro-rata allocation. Using the proposed order, i.e. first the pro-rata and then the start date, is key to Fluxys LNG in order to achieve an optimal allocation of the capacities. A subscription window indeed aims at giving the possibility to shippers to secure capacity on the long-term. This is why the first priority is given to bids with the longest duration. Applying a pro-rata allocation between bids of the same duration allows then to evenly split the available capacity.

In an auction window, the same respondent proposes to use the longest duration as first criteria to allocate capacity, instead of the highest combination of requested bid quantity times bid price time duration. Fluxys LNG would like to remind that auction windows have been introduced to facilitate allocation when over-demand is expected. In this case, the duration will not be an efficient criterion to discriminate between bids. This is why priority is given to the total revenues (i.e. combination of requested bid quantity times bid price times duration) which represents the most efficient allocation criteria.

#### ***Introducing mitigating measures in case of threat to heel situations***

Fluxys LNG did not receive any feedback on this proposed change.

## 4 Appendices

### 4.1 *Communication announcing the consultation*

# Fluxys LNG - Market Consultation 68: Increase of long-term Slot capacity

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As from **2nd of April 2024 to 23rd of April 2024**, you are invited to participate in our market consultation on the LNG terminalling regulatory documents with a main focus on:

- The offering of additional long-term slot capacity
- Some changes related to allocation mechanisms
- Mitigating measures in case of a “threat to heel” situation

The following document summarizes the proposed changes: [Summary note](#).

#### **Documents in consultation (with track changes):**

- [LNG Terminalling Access Code](#)
- [LNG Terminalling Programme](#)

You are kindly invited to send your written comments to [marketing@fluxys.com](mailto:marketing@fluxys.com) by Tuesday, April 23<sup>rd</sup> 2024 close of business.

Please specify 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.

### 4.2 *List of documents in consultation*

The documents are available on Fluxys website (see 4.1):  
<https://www.fluxys.com/en/natural-gas-and-biomethane/empowering-you/customer-interactions/consultations---zeebrugge-lng/fluxys-belgium-market-consultation-68>

### 4.3 *Questions and answers - Public*

Only confidential feedback was received for this consultation.

### 4.4 *Copy of written comments - Public*

Only confidential feedback was received for this consultation.